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# Latin America Report

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17 June 1982

# LATIN AMERICA REPORT

No. 2524

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## CAUSES FOR YPF CURRENT LACK OF WORKING CAPITAL REVIEWED

Buenos Aires LA NACION in Spanish 16 May 82 pp 1, 3 sec 3

[Article by Mario J Aranguren: "Government Oil Deposits Working Capital"]

[Text] The minister of economy has made some interesting statements to LA NACION. Among other things, talking about the future of YPF [Government Oil Deposits] in the petroleum industry, he said that: "YPF is lacking in working capital to continue exploration and exploitation. This is why we think that it should concentrate on refinancing. But there may be other alternate solutions. That would spring from the Hydrocarbons Law which we hope will be passed and which we are now studying together with the Ministry of Public Works and Services."

The statement by the minister is correct concerning the lack of working capital in YPF and he could have added that this shortage was observed already starting in 1978, when the borrowing began to rise to figures that became excessive in 1980 and 1981. From its creation as a government company in July 1977 and over many years, the enterprise published the reports and balance sheets on its stewardship like any private outfit, in other words, documents that were properly checked out by auditors and by the trustees of the Control Commission. By reading these documents it is easy to follow the development of the debt as well as the causes leading to it.

#### The Big Worry in 1979

In 1979, this problem so seriously worried the company's management that the then president, engineer Raul Ondarts, began conversations with the Ministry of Economy which held all of the share capital in an effort to improve the enterprise's working capital through real funds. At that time, there was a dangerous gap between the YPF retention value index and the domestic non-agricultural wholesale prices; in other words, the owner of the shares, in other words, the national government, gave YPF a relative value which each time was smaller than its product based on a domestic crude value certainly very far removed from the international crude value. This was an abnormal situation which continues until today and which has been officially recognized.

The value fixed for domestic crude by the Ministry of Economy only manages to cover 70 percent of the petroleum exploration and extraction costs, as can be

testified to by private enterprises which today are suggesting the renegotiation of their contracts.

Among the countless moves made during 1979 and 1980 during meetings and briefings at the Ministry of Economy--in which some of its current officials participated--all aspects of the problem were analyzed but no satisfactory result was arrived at because there was the premeditated intention to keep prices as they were (even though they might have been political) so as not to trigger what was considered an inflationary surge. Finally, the Secretariat of State for Energy, which is the agency linking the government and the government company, after exhausting all steps, sent a note on 27 February 1981 (SEE [Secretariat of State for Energy] 63.833) to the minister of economy requesting that there be no further delay in granting YPF an increase in initial crude prices since they were far from being in a proper ratio with the production costs (the price that was granted the YPF per cubic meter came to approximately \$70 whereas the international price was around \$220 and the cost to YPF was \$120-130 per cubic meter).

It is unpardonable that this worry on the part of the government agency--which, on the other hand, has the job of determining petroleum policy--was not taken into account until now, thus not permitting natural financing for the government enterprise. The most lamentable thing is that it has been "discovered" only today that YPF is lacking in working capital without making it clear as to why it lost it during past years.

#### Losses and Their Origins

Looking at the results obtained in the 1979 and 1980 balance sheets, the following table is sufficiently illustrative.

	1 Jan 79 - 31 Dec 79, \$1,000, at rate of exchange in Dec 1979 (*)	1 Jan 1980 - 31 Dec 80 \$1,000, exchange rate of Dec 1980 (*)
Gross sales	4,728.6	6,610.0
Total taxes	1,958.5	2,714.5
Profits	499.1	104.4

(\*) Balance corrected for inflation.

These figures were obtained in keeping with the premises required by the enterprise owner:

1. The fixing of prices which caused YPF to lose around \$60 per cubic meter of petroleum extracted (the 1979 output came to 27 million cubic meters and in 1980 it was 28.2 million cubic meters).
2. Achieving independence in terms of supplies as soon as possible, scheduled for 1982 (the output increase between 1977 and 1980 came to 23 percent). This condition was almost achieved at the end of 1980, since the balance of imports

and exports turned out in favor of the former to the extent of \$217, in other words, the equivalent of 1 million cubic meters of crude. On the other hand, the gas and petroleum reserves, which early in 1977 came to 630 million cubic meters, in terms of petroleum equivalent, by the end of 1980 were 1,030 million cubic meters as a result of the intensive exploration effort undertaken.

3. Punctually paying the taxes instituted by the Ministry of Economy; the percentage of the amount collected under this heading came to 40 percent of the crude sales both in 1979 and in 1980. In spite of this "tax glut," the company obtained profits even when it was definitely declining as a result of what we explained in the first premise whose influence is quite definitive in this aspect. This went so far that the efficiency achieved was concealed by the results as we can see in the 1980 report and the statistical yearbook of the YPF for that same year.

In summary and as a result of these comments, we can say:

a. That the lack of working capital in YPF is the result of an action taken by the Ministry of Economy which violated the policy stated and often repeated concerning the lifting of controls on public rates.

b. That YPF over the past 5 years substantially improved the level of reserves and the output of hydrocarbons, progressively transferring these operations to private activities through risk and operating contracts. Therefore, YPF during that interval of time did a positive job for the sake of the country's higher interests.

Former YPF president, engineer Raul Ondarts, finished his latest briefing, given the day before his tragic accident, with these words: "The weight of an enterprise which sells \$5 billion per year in a country whose gross output is estimated at \$60 or \$70 million, is substantial. The maintenance of business management standards in that enterprise, the continuation, perhaps not of all personnel but at least of business management techniques and discipline, will assure Argentina that YPF will be one of the fundamental pillars of its future expansion."

These statements by engineer Ondarts assume special significance in our day, when there is so much talk about YPF and petroleum, apparently without the proper knowledge of the problem's elements. (Note: Engineer Mario Aranguren was a former director of the YPF from July 1977 until April 1981.)

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CSO: 3010/1573

## COUNTRY'S SPENDING ON CRUDE OIL UP BY \$30 MILLION IN 1981

Bridgetown THE NATION in English 6 May 82 p 20

[Text] Barbados spent over \$30 million more on crude oil and reformat last year than in 1980. This accounted for 23.6 percent of the country's export earnings.

This was stated yesterday by parliamentary secretary in the Prime Minister's office, with special responsibility for energy matters, Senator Clyde Griffith, while delivering the feature address at the opening of a one-day energy seminar of the Barbados Manufacturers' Association (BMA) at the Hilton Hotel.

Said Griffith: "As you may know, the price of imported oil, upon which our country is so heavily dependent, has only recently shown signs of stability in the short term. An examination of the latest data will show the havoc that frequently rising prices have played with our import bill.

"In 1980, Barbados imported 965 342 barrels of crude oil and reformat at a cost of BDS \$62.7 million - 14.9 percent of our total export earnings.

In 1981, the country paid \$92.5 million for imports of 1 267 362 barrels of oil and reformat. Some 23.6 percent of our export earnings went to pay for an oil import bill which rose by 47.5 percent.

Stating that Barbadians have had to suffer because of increasing oil prices, Senator Griffith said: "In the area of power generation, a significant portion of our electricity bill is attributable to the fuel adjustment charge.

"Whereas in 1971, the Power Company paid \$2.2 million for fuel oil to produce power, in 1980 the company spent \$43.3 million and almost \$50 million in 1981 - roughly 2 500 percent of its 1971 bill.

"What these figures show also is that more than half of our oil imports go toward power generation."

Griffith pointed out that Barbados had no influence on the world situation with regard to oil and stated that it would be futile to blame past or present policies for our energy problems.

Senator Griffith, explaining the reasons for the present fall in oil prices, said the Americans had reduced consumption from 18.8 million barrels to 15.8 million per day and at the same time increased domestic production.

He said there also had been an increase in the production of North Sea and Mexican oil which resulted in a surplus on the world market.

He explained why it was that the only significant way in which the fall in prices was being felt in Barbados was in electricity bills.

## WIND ENERGY PROJECT SET TO BEGIN IN NEXT 2-3 MONTHS

Bridgetown ADVOCATE-NEWS in English 17 May 82 p 1

[Text]

Government's proposed wind energy project is now expected to start within two or three months.

This has been stated by Parliamentary Secretary responsible for Energy, Senator Clyde Griffith who noted that "the budgeting situation" caused the delay.

The Inter American Development Bank (IDB) is providing a grant of US\$1.8 million for the project, which will be a pioneer in the use of alternative energy. The grant was approved a number of months ago.

Senator Griffith said that local officials met with IDB officials and pointed out their displeasure with the way the budget was structured, stating that the Barbados Government would have found itself financing cost over-runs.

Additionally, he noted, under the original arrangement, "the budgeting arrangements" would have been a burden on Barbadian taxpayers.

As a result of the talks

between the two sides, Government was able to get what Senator Griffith termed "some flexibility" in the budget.

The Caribbean Meteorological Institute (CMI) will be involved with the project by identifying areas for the wind turbine, while it is planned that the energy will be fed into the national electricity grid. The CMI has already conducted a number of tests along certain areas on the coastline and has completed a preliminary report.

The Barbados Light and Power Company will also be involved in the project.

Meanwhile, Senator Griffith said, Government has been looking at several areas of assistance (not only financial) to people who want to convert from electric water heaters to solar water heating.

"Government would help those persons who want to convert, to afford the initial cost of conversion," he said.

Senator Griffith pointed out that solar water heaters, now widely used in the country, cost upwards of \$2 000.

## BRIEFS

FUEL PRICE CUTS--Roseau, Dominica, Thursday, (CANA)--The Dominica Price Control Division yesterday announced price cuts on all petroleum products sold here. Under the new price structure, gasoline is now retailed at EC \$5.85 (EC \$1 equal 37 cents U.S.) a gallon--a decrease of 30 cents, kerosene EC \$4.10 a gallon a 15 cents price cut, and diesel EC \$4.45 a gallon, a reduction of 27 cents. No reasons were given for the price reductions, but oil prices are known to be down on the world market due to glut conditions. [Text] [Bridgetown ADVOCATE-NEWS in English 14 May 82 p 3]

CSO: 3025/298

INFERIOR NATURAL GAS BLAMED BY TTEC FOR POWER OUTAGES

Port-of-Spain TRINIDAD GUARDIAN in English 15 May 82 p 1

[Article by Norris Solomon]

[Text] Trinidad and Tobago Electricity Commission (TTEC) is unable to give any assurance of improved supply in electricity.

The Commission has blamed the latest series of outages on inferior natural gas being supplied by the National Gas Company.

According to a release from TTEC, the supply of natural gas contains "intolerable proportions" of water and mud.

Acting Chief Executive officer of the National Gas Company, Mr Tahir Mohammed, confirmed that there was some water in the gas supplied to TTEC and said that NGC had taken steps to eliminate the water and the situation had improved.

Within the past three weeks the country has been experiencing long outages, reportedly caused by the blowout of generating units at the Point Lisas and Port of Spain power stations.

The situation resulted in load shedding affecting business and operations throughout the country.

The latest of the problems was on Wednesday and Thursday evening, continuing late into the night. Yesterday morning TTEC Public Relations Officer Roy Mitchell blamed the generating problems of the last two days on the inferior gas. The gas problem was not related to the earlier disturbances, he said.

A Catalyst

Pointing out that the National Gas Company was trying to remedy the situation T&TEC stated that it could not provide its customers with an assurance of an improved supply of electricity until the exercise has been fully and successfully completed.

"The Commission's statement said in part:



"A supply of natural gas of inferior quality by the Gas Company has put an additional dimension on the generation problems being experienced by the Electricity Commission within the past two days.

"This was determined as a catalyst which precipitated the tripping of the generating units at the Point Lisas and Port of Spain power stations on the afternoon of May 12 and was again responsible for the tripping of the three generating units which were in service at the Port of Spain Power Station at about 8.30 p.m. on Thursday, plunging the North and East into darkness."

#### Keeping in Touch

The statement went on: "The supply of natural gas is being accompanied by water and mud forming a condensate of intolerable proportions."

The Commission said it was aware that the National Gas Company was endeavouring to bleed its lines to remove the offending foreign matter.

Apologising for the problems, the Commission explained that it was in close touch with the National Gas Company.

Mr Mohammed, the NGC's acting Chief Executive Officer, said late yesterday that the situation had improved. He said there was some water in some of the gas and steps were taken to eliminate the water.

The National Gas Company is the sole marketing agent for natural gas in the country, buying all the natural gas produced and selling it to the consumers, mainly the industrial concerns.

The NGC, Mr Mohammed explained, has three sources of gas. The gas is supplied by Amoco Trinidad Limited, Trintoc and NGC itself recovers gas which was to be flared.

The biggest supplier of gas is Amoco.

In addition to buying the gas, NGC transports it from the fields to the various industries.

#### Well Advanced

Mr Mohammed explained that TTEC brought the problem to their attention and explained that the NGC keeps a monitor on the supplies to ensure that "all is normal."

He could not state how soon the situation would be back to normal, but explained that the procedure for cleaning the lines was well advanced. While TTEC complained of the water in the supply, other users of the natural gas have not complained of the "foreign matter" in the gas.

At Fertrin, the public relations department said that the supply was normal and there was no foreign matter.

TTEC is the major user of gas supplied by NGC.

A spokesman for Federation Chemicals at Point Lisas which also utilises a large amount of natural gas said that the problem of water in the gas had not surfaced at Point Lisas and production has not been affected.

Commenting overall on the situation, Mr Mohammed said there was no reason to suspect sabotage.

Prime Minister George Chambers has already called for an investigation into the causes of the outages.

Mr Chambers has requested Minister of Public Utilities, Senator John Ecstein, to submit a report on the situation.

The Public Utilities Commission is also carrying out its own investigations.

Meanwhile, Professor Ken Juilien, TTEC Chairman is out of the country on State business. He is also Chairman of the National Energy Corporation and the Iron and Steel Corporation of Trinidad and Tobago.

He is scheduled to return tomorrow.

CSO: 3025/298

## BRIEFS

DRILLING PROGRESS--Trinidad-Tesoro has established a new drilling footage record when a depth of 1,064 feet of virgin ground was reached in 19 hours recently. This achievement came from Well 322 in the Quarry Field where drilling began at 7 a.m. and by 7 a.m. the following day a footage of 1,810 feet had been attained. Drilling started at 140 feet and the new footage was attained after drilling out 66 feet of cement. In all a depth of 2,470 was achieved in two rig days. The previous highest footage for a 24 hour period was 1,457 feet on Well 319, also in the Quarry Field. That was then achieved by Well Services Limited Rig 4. The average footage drilled on a normal rig day is 900 feet. This new record was achieved on O.C.L. Rig 3 operated by Oilwell Contractors Limited on contract to Trinidad-Tesoro primarily for thermal drilling at 3,000 feet and less. Trinidad-Tesoro's Assistant Drilling Engineer Mr Shaffie Mohammed noted that the footage of over 12,000 feet was drilled by the rig for the month of April--the highest for any one month ever achieved by the company. Commenting on the accomplishment at Well 322 he said: "Conditions were right. We had continuous drilling, relatively soft drilling conditions and a very good approach by personnel concerned. There were no breakdowns and the salient fact was that all three crews on the three shifts operated close to optimum conditions." Initially it is expected to produce 25 barrels of crude a day and "considerably more" when it is steam flooded. Rig 4 is now in the Apex Quarry area at Well 964 with Toolpusher Aboud Ali looking after its operations. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 17 May 82 p 7]

CSO: 3025/298

FALKLANDS, LATIN AMERICAN UNITY DISCUSSED AT NAM MEETING

Nonaligned Support

FL272059 Havana Domestic Service in Spanish 1700 GMT 27 May 82

[Interview with Argentine Ambassador Rafael M. Vazquez on the nonaligned movement coordinating bureau meeting opening 31 May in Havana, by Rolando De la Rivera; presumably in Havana--recorded]

[Excerpts] [Question] What importance do you attach to the nonaligned coordinating bureau meeting to be held shortly in Havana?

[Answer] It is an important step in anticipation of the seventh summit to be held in Baghdad. We view this meeting with much interest. The Argentine delegation will be a high-level one.

[Question] What significance does Argentina attach to the nonaligned movement's support for Argentina's just claim to the Malvinas' sovereignty in the face of the arrogant and colonial British position?

[Answer] The nonaligned movement is synonymous with anticolonialism. Argentina has always obtained support in most of the meetings. This support was declared in Lima, the sixth summit, and this has strengthened the movement's recognition of Argentina's sovereignty over the Malvinas. I would say this is a very important juncture in international affairs. Because when you are in trouble, you find out who your friends are. We know better who our friends are now. As a member of the nonaligned movement, we see we have tremendous strength with the support of the movement in the Malvinas crisis.

The message that Dr Fidel Castro sent as the chairman of the nonaligned movement is not only an expression of the chairman's view or the movement's view, it is a message that has touched the soul of the Argentine people. It has been published in all the newspapers. It has been disseminated all over Argentina and it has been replied to by President Galtieri with special recognition of this political support, this support in all spheres.

## Argentine Ambassador Voices Gratitude

FL211940 Havana Domestic Service in Spanish 1800 GMT 21 May 82

[Article by Carmen Gonzalez, exclusive for Radio Reloj]

[Text] In the face of British aggression the Argentine people are now united more than ever, Argentine ambassador to Cuba Rafael M. Vazquez, today said during an exclusive telephone interview granted to Radio Reloj in connection with the latest British attack on the Malvinas Islands.

The Argentine people have reached an ultimate agreement, they are prepared to go to the very end, even though they are naturally peace-loving, the diplomat said.

Ambassador Vazquez added that his government is prepared to negotiate whenever necessary but without giving up Argentina's basic stand of sovereignty over the Malvinas Islands.

He went on to say that Argentina has been prudent, it has waited for 150 years and it is quite prepared to negotiate, but it is also ready to defend major national interests.

Shortly after news was received in Havana about the British attack on the Malvinas, the Argentine ambassador said that this was a historical moment for Latin America. He said that all statements and releases concerning the political stands [of the countries] make us feel ever increasingly stronger, more united and less alone.

Today, we feel that Latin America is very close to us and we feel proud of the ties which we have with this continent, brotherly ties, Vazquez indicated and added that Latin America is setting an example of unity for the entire world by supporting our actions.

The statements of Commander in Chief Fidel Castro and the letters which he has sent to the presidents of nonaligned countries have been widely disseminated in Argentina, Rafael M. Vazquez said.

The diplomat added that Argentina feels very grateful to Cuba's stand in particular and that of the nonaligned movement in general.

I would like to express my thanks through this station for all the letters received by this embassy from the pioneers, the committees for the defense of the revolution, for the telephone calls which are so many that sometimes we cannot answer them all personally. The Argentine ambassador asked Radio Reloj to convey the gratitude of his government for the solidarity which it has received from the Cuban Government.

U.S. Stand

FL260209 Havana Domestic Television Service in Spanish 0000 GMT 26 May 82

[Interview with Argentine ambassador to Cuba Rafael Vazquez by Caridad Bermudez; presumably in Havana, time not given]

[Text] [Question] Mr Ambassador, we would first like to hear your personal evaluation of the latest events in the Malvinas.

[Answer] Firstly, when people speak of the Malvinas, they speak of an Argentine invasion, an Argentine aggression. Argentina carried out an occupation of part of its territory which did not cost a single life. In other words, it was an occupation which cost the occupiers no blood or lives. The situation is different today. We are being attacked with sophisticated arms. We are being attacked by two powers. One is playing an active role and the other one is helping it.

I feel that under inferior conditions--to be [word indistinct]--the Argentine people have proved their patriotism, their willingness to defend their own interests. Although a piece of territory 15 or 20 by 10 kilometers in the Malvinas Islands has been occupied, it has cost them ships, weapons. We trust and hope that we will come to peace negotiations. Negotiated peace is fundamental for Argentina. Naturally, we are ready to defend to the last consequences the principles for which we occupied that part of our national territory.

[Question] Mr Ambassador, what does Argentina expect to achieve by calling the TIAR [Inter-American Reciprocal Assistance Treaty] meeting?

[Answer] I believe that the TIAR has given us the opportunity to prove Latin America's unity with respect to the Malvinas. That is, we are going to prove, through the TIAR, that Latin America is united, that we are totally united in principles, ideals, goals and that the United States, which, as you know, holds a different position, is going to have to reexamine its position vis-a-vis Latin America beyond the Malvinas issue. That is, the Malvinas is the starting point for a new policy and the TIAR is proof of Latin American unity at this time.

[Question] Speaking of the United States, what is your opinion about its moral and military support for the British Government?

[Answer] The United States has been traditionally allied for many years to the United Kingdom. It has perhaps made a big mistake right now. It has forgotten Latin America. I feel that it is a mistake that is going to cost the United States. I believe that it is not a mistake shared by everyone in the United States. There are important leaders who have voiced their protest and I feel that a new policy, a new Latin America unity is emerging and the United States will have to evaluate, reach its conclusions and understand that Latin America is a continental unit.

[Question] One last question. How will the present conflict influence Argentina's policy, both domestic and foreign?

[Answer] When a country arrives at a situation such as this, which unfortunately has caused the death of young Argentines who have given their all to their country, then it stands to reason that the country will change. A new awareness has been born in Argentina, an awareness which we perhaps had not had until now because Argentina has had more than 100 years without a national war. I believe that the Malvinas moment is a historic moment as concerns both domestic policy and our feeling of internal struggle to live in a community of nations [as heard]. And in a more personal vein, it has made us more [word indistinct], more Argentine. I believe that this Argentine unity, this great national consensus that now exists in Argentina, and this union with Latin America will characterize future domestic and foreign policies.

[Question] Cuban television thanks you and we thank you viewers for tuning in.

[Answer] I would like to take this opportunity to thank the Cuban people. The people of Cuba are a people who have always demonstrated their friendship toward Argentina--films, gardel. Walking the streets of Havana, even the last guajiro you meet is a friendly, nice, generous man, a friend of Argentina. We have to thank Cuba, the people of Cuba and the president of Cuba, the president of the nonaligned movement, who has written the president of Argentina, who has written the nonaligned movement. We have had his cooperation. And President Galtieri yesterday wrote President Fidel Castro expressing appreciation for the movement's political cooperation and support for Argentina. I thank you for this opportunity to be with the people of Cuba because in Cuba we feel right at home.

#### Interview With Argentine Ambassador

PA262000 Havana International Service in Spanish 0000 GMT 26 May 82

[Interview with Argentine Ambassador Rafael M. Vasquez, by Pedro Martinez Pires of Radio Havana; at the Argentine Embassy in Havana on 25 May--recorded]

[Excerpt] [Question] Ambassador, what would you say about the nonaligned movement's [NAM] past support for Argentina regarding the Malvinas?

[Answer] The NAM is a very important name in our process, because we have always received its decisive support at meetings: the sixth [NAM] summit meeting, in Lima, and in New Delhi. And we have NAM support today. The NAM bureau is meeting next week to seek the formulas that will be discussed in Baghdad. We are absolutely sure that the NAM supports us. Why is the NAM with us? Because its name is synonymous with decolonization. Additionally, I am greatly honored to be able to inform you that the president

of Argentina has thanked NAM President Fidel Castro for the political collaboration, support and cooperation we have had in every sense from the movement he presides over.

[Question] Ambassador, just a few hours ago Argentine Foreign Minister Nicanor Costa Mendez told a press conference in New York that he is carefully studying the possibility of participating in the bureau's meeting here in Havana beginning 31 May. In a Radio Havana interview, Jose Raul Viera Linares, first [as heard] vice minister of foreign relations, said Costa Mendez is welcome in Havana if he decides to come. I would like to know what importance you feel this bureau meeting will have for the Malvinas situation, given its increasing importance these days.

[Answer] Argentina will be represented at the Bureau meeting at the highest level. As to what you have just said regarding the foreign minister's presence, I can tell you that he would like to attend, but these things are difficult to arrange nowadays due to the developments that are taking place at world level concerning the Malvinas. However, I can assure you that Argentina wants to participate at the highest level; this is a political decision, and we will have a high-level representative at the bureau meeting.

[Question] Mr Vasquez, Argentine Foreign Minister Nicanor Costa Mendez said that the situation in the Malvinas has put inter-American solidarity to the test, and that the Latin American peoples who have expressed their solidarity with Argentina will never forget the U.S. position at this moment. I would like to know your opinion on this respect.

[Answer] I would say that the Malvinas situation has not only tested this solidarity, it has offered proof of Latin American solidarity. It has proved that we are a unit, that the Malvinas are a landmark in international relations, and has shown the world that Latin America is strongly united in difficult times.

CSO: 3010/1679



## SOUTH ATLANTIC CONFLICT AFFECTING DAM PROJECT

PY030837 Asuncion ABC COLOR in Spanish 24 May 82 p 12

[Text] The Argentine-British conflict in the South Atlantic has begun to cause effects in nations other than those directly involved in that confrontation. The Itaipu Binational Enterprise, for instance, is having difficulties in obtaining the loans it has counted on from the international financial market, particularly on the European market, because of the undeclared war between Argentina and Great Britain, according to remarks by Eng Enzo Debernardi, joint director general of the binational enterprise.

Another high Itaipu official has asserted that because of the Malvinas conflict there are "some problems in obtaining new loans because of the difficulties which have emerged on the international market, particularly in Europe and the United States, but we are sure that this is temporary and that the situation will become normal in a short time."

It should be mentioned that Itaipu will still have to cover a sizeable part of its financial budget for this year.

The executive board of the Paraguayan-Brazilian enterprise recently proved and authorized the negotiation of a \$5-million credit from Brazilian and foreign financial organizations. It also approved taking out another loan of an unspecified amount, probably from a European-U.S. consortium.

Itaipu Binational Enterprise circles have also stated that the project is progressing normally and that there is not "a single hour of delay with regard to the original schedule."

Meanwhile, in Brazil the Brazilian Power Companies, Inc. [Eletrobras] has announced the negotiation of a medium-term loan of \$70 million which will be used for financing the power line system for Itaipu electricity.

This loan will be granted by a banking consortium headed and coordinated by the Security Pacific Bank and the UNIBANCO (Union of Brazilian Banks, Corp) and managed by, among others, the bank of the Argentine nation, the Commercial Bank of Kuwait Sak, Vereins-Und Westbank Internationale Corp, Bank of America NT and Corp, North Carolina National Bank and the Wells Fargo Bank NA, according to information given by Eletrobras.

CSO: 3010/1678

## CDB ON ST LUCIA, ST VINCENT, TRINIDAD-TOBAGO, TURKS-CAICOS

Port-of-Spain TRINIDAD GUARDIAN in English 15 May 82 p 6

[Text]

## BRIDGETOWN, Fri., (Cana)

**CARIBBEAN economies performed not at all well last year, underscoring the region's vulnerability to economic activity in the developed world, the Caribbean Development Bank (CDB) says in its 1981 annual report.**

The bank said regional economies were also adversely affected by domestic factors, including production difficulties, bad weather and problems with national economic management.

Slow down in economic activity and restrictive monetary and fiscal policies in the industrialised states contributed to a slackening of demand for some traditional exports from the Caribbean, especially bauxite and tourism, with consequential effects on earnings, the CDB said.

Following is the final part of the bank's country-by-country report on the economic performance of regional member states:

Economic development in Saint Lucia in 1981, in addition to reflecting events on the international economic scene, was over-shadowed by the domestic political situation as efforts continued to resolve the leadership crisis in the Government.

Preliminary indications are that tourist arrivals in 1981 fell below the 1980 levels, as a result of both of the factors mentioned above, with a marked drop being experienced in the arrival of cruise ships.

Banana production, on the other hand, rose strongly, and although total output did not reach 1979 levels, intensive rehabilitation efforts after Hurricane Allen resulted in a 52 per cent increase above the 1980 output of 29,029 metric tons.

With this out-turn, together with a good

performance from the coconut industry, and some rise in the manufacturing sector, economic output in Saint Lucia is expected to have risen by about three per cent in real terms in 1981, following a 4.7 per cent decline in 1980.

Public sector finances, particularly the financial situation of the Central Government, deteriorated during the year, reflecting substantial wage awards to daily-paid workers and some loosening of financial controls.

Towards the end of the year, following an IMF consultation visit, expenditure control was tightened, and increased consumption taxes on a wide range of items were introduced.

Protracted negotiations between the Government and employees in the civil establishments, teaching, nursing and the police services were settled early in the year, with the award of 52 per cent to 62 per cent increases on 1980 salaries payable over three years —

1981, 1982, 1983.

A welcome feature of this settlement, particularly given the week fiscal situation, was that both parties agreed that for each employee, retroactive payments above (EC) \$500, the Government would issue ten per cent debentures redeemable at the end of three years.

## ST. VINCENT

Following the devastation caused by the eruption of La Soufriere Volcano in 1979, and the onslaught of Hurricane Allen in 1980, agriculture in St. Vincent rebounded in 1981.

Preliminary indications are that banana exports (the main foreign exchange earner) to the UK increased to 29,442 metric tons in 1981, after the abnormally low level of 18,595 metric tons achieved in the previous year.

This was the result of the relatively immediate implementation of a banana rehabilitation programme, financed by foreign Governments and international agencies, including CDB.

Production of arrowroot, St. Vincent's other major export commodity, which was not affected by the natural disasters, increased slightly from 724 metric tons to 768.

In tourism, stay-over arrivals through November, 1981, declined by 12 per cent to 39,671 visitors, as against

44,310 for the comparable period in 1980.

The industrial promotion efforts attracted more light industries, thereby creating an additional 350 jobs during the year. The Government's dairy plant completed its first full year of operation, and began to make an impact on the St. Vincent market.

#### TRINIDAD AND TOBAGO

Influenced mainly by developments in the petroleum sector, the Trinidad and Tobago economy experienced substantial growth during 1978-'80.

This performance, however, was not sustained in 1981, as preliminary estimates reveal that GDP at factor cost grew by only 5.4 per cent in 1981, after increasing by 7.4 per cent in 1980.

There was a decline in petroleum output, a six per cent decline in agriculture, but these were more than compensated for by increases in the construction and services sectors.

Decline in agriculture and manufacturing, coupled with the rising money income levels, contributed significantly to a 15 per cent increase in the Retail Price Index in 1981.

The monetary authorities continued a programme of tight monetary policy, in an attempt to combat the

inflationary pressures.

The programme calls for selective credit controls, which were introduced in 1979, and a marginal reserve requirement which was implemented in 1980.

As a result, the rates of growth of the money supply (narrowly defined) declined from eight per cent for January to September, 1980, to six per cent for the comparable period in 1981.

Important developments in the banking and finance sectors occurred during the year. The Securities Industries Act and the Unit Trust Corporation of Trinidad and Tobago Act were passed in Parliament and the Trinidad and Tobago Stock Exchange was opened.

Also, non-bank financial intermediaries were placed under the control of the Central Bank.

The overall balance of payments continued to perform strongly, with reserves increasing by \$708 million in 1981, compared with \$625 million in 1980.

This was mainly due to the improvement in the current account, which resulted from a nine per cent decline in imports, compared with a decline of only 2.6 per cent in exports.

Imports in 1981 stood at \$1.79 billion and exports at \$2.46 billion.

In the Budget address after the general elections of 1981, the Minister of

Finance stated his Government's intention to reintroduce formal national planning through the formation of a national economic planning commission.

#### TURKS AND CAICOS ISLANDS:

Two major economic developments in the Turks and Caicos Islands during 1981 were resumption of UK budgetary aid, following an attempt in 1980-'81 to see if the islands could be administered without such aid, and the Club Mediterranean development on the island of Providenciales.

The UK Government had provided a special grant of \$10.3 million for the provision of infrastructure for this 750-bed village resort, and as a result, capital spending by the Government in 1981-'82 is expected to rise by 330 per cent to \$9.2 million.

Tourist arrivals in the Turks and Caicos Islands rose by 6.1 per cent during the first ten months of 1981 to 10,340, compared with the same period in 1980.

## ST KITTS-BASED ECCA TO BE UPGRADED TO CENTRAL BANK STATUS

Bridgetown ADVOCATE-NEWS in English 17 May 82 p 1

[Text]

CASTRIES, St. Lucia, Sunday (CANA) — The St. Kitts-based East Caribbean Currency Authority (ECCA) is to be upgraded to a Central Bank by January 1 next year, it has been officially announced here.

The decision was taken at a meeting of the heads of government of the Organisation of Eastern Caribbean States (OECS) held here yesterday. ECCA Managing Director Cecil Jacobs told CANA. He said that the seven Windward and Leeward Islands Governments which are members of ECCA unanimously agreed to the move.

The heads who had been toying with the idea for years also decided to establish a committee of financial and legal officers to redraft the ECCA agreement, taking note of the reservations expressed by some governments.

"The draft agreement will be available to the governments by the end of September and it is expected that the bank will come into being on January 1st 1983, after all participants have enacted the relevant legislation," Jacobs said.

Unlike the ECCA, which essentially issues and redeems East Caribbean currency notes the Central Bank will be able to regulate banking business by the

availability of money and credit, promote the maintenance of monetary stability, and seek through the provision of credit and exchange conditions to promote balanced growth and development of the economies of the islands of St. Vincent, St. Lucia, Grenada, Antigua-Barbuda, Dominica, St. Kitts-Nevis and Montserrat.

The Central Bank will also declare the external value of the E.C. dollar from time to time, maintain external reserves, maintain as depository, the external assets of participating governments, and statutory bodies of the participating countries.

It will serve as a banker, fiscal agent of and adviser to the governments on monetary and financial matters, administer exchange control and administer participating schemes for insurance of bank deposits, providing export credit insurance and guarantees, and guarantees for credit extended by financial institutions.

Jacobs said that the new Eastern Caribbean Central Bank, would become the initial link between the financial system and government policies and would represent the view of the financial community to the governments.

## ADAMS IN BERMUDA; BARBADOS TO OPEN DIPLOMATIC RELATIONS

Bridgetown SUNDAY SUN in English 16 May 82 p 1

[Article by Ivan Clifford]

[Text]

HAMILTON, Bermuda — The Barbados Government will apply for diplomatic representation in Bermuda, Prime Minister Tom Adams announced here yesterday.

He told a press conference at Government House on the final day of a three-day official visit that Barbados would seek to establish as soon as possible a non-resident Commissioner and Honorary Consul to represent the substantial Barbadian community here.

No possible candidates were mentioned, but Adams said: "The Barbadian community should have some kind of representation in Bermuda and I believe there is enough history to tie us together."

Adams said that diplomatic channels would be established as soon as the Bermuda Government approved such an application.

Adams, who was joined at the press conference by Bermuda's Premier John Swan, said he had enjoyed his trip here, commenting: "It has been a very pleasant visit during which I have renewed contacts in the island."

Adams said that probably the greatest difference between the two islands was the fact that Barbados was an independent country, having severed its ties with Britain in 1966. But he added that the fact Bermuda is still a colony, and in no apparent rush to gain independence, was not an impediment to relations between the two islands.

"Independence even for small countries is the pattern in the world today and those states which are not will have questions to answer to the rest of the world," Adams said.

"But I think I know the island well enough to understand its hesitation in moving more slowly than other places," he went on, saying that Barbadians would not be critical of Bermuda for not being independent.

Swan said his government had discussed the Barbadian independence experiences with Adams and his group, particularly in reference to consular representation overseas, and the need to tailor that representation to the ability to pay for it.

Added Swan: "Apart from that, whatever we do we will do our way."

He said Adams' first official visit to the island since becoming Prime Minister in 1976 had been very successful.

noting: "We look forward to a continued good relationship and even the possibility of developing some sort of resource ties."

Adams said that, unlike Bermuda, Barbados was still expanding its tourism base and building new hotels. But he said there was room for an exchange between the two islands and that Barbados could give Bermuda some hints on how to attract and cater to tourists.

Adams and his party, which included Minister of Foreign Affairs, Louis Tull and cabinet secretary Frank Blackman, were due to have lunch with members of the Royal Commonwealth Society and the West Indian Association before flying home via New York.

After his press conference this morning Adams planted a tree in the grounds of Government House, where he stayed during his visit.

Adams said: "If there are any changes since I was last here ten or eleven years ago then they are only for the better."

"I think what impresses everyone immediately after arriving here is the neatness and tidiness and control over the environment. The heavy hand of man lays very heavy in Bermuda but I don't think anywhere in the world is the environment so well controlled," he said. (CANA)

COUNTRY SECTION

INTER-AMERICAN AFFAIRS

BRIEFS

MEXICO-CUBA WORK AGREEMENT--Cuba and Mexico signed a work program agreement containing specific actions to increase their bilateral trade during the 1982-83 period. The agreement was signed in Mexico City by (Jose Diaz Mirabal), Cuban chamber of commerce president and (Raul Salinas Lozano) Mexican Foreign Commerce Institute director. [PA221425 Havana International Service in Spanish 0000 GMT 22 May 82 PA]

CSO: 3010/1655

## U.S.-UK MOTIVES FOR ALLIANCE IN SOUTH ATLANTIC NOTED

PY050710 Buenos Aires LA PRENSA in Spanish 3 Jun 82 p 1, 6

[Commentary by J. Iglesias Rouco: "Facing Destiny"]

[Text] Not very positive results were expected last night from the steps taken by Brigadier General Miret, Admiral Moya and General Mallea Gil in the United States. Despite the content of the Argentine proposal, which actually gathers the essential points of the so-called London "counter-proposal" submitted by Mr Parsons to Mr Perez de Cuellar shortly before the British landing (in some spheres it is said that it "gathers" quite less than the "counterproposal"), what is true is that the "Atlanticists" of the state department are inclined to carry forward "total war" against this country, for the most part to try to conceal initial mistakes made during Mr Haig's "assistance" stage and thus defend their domestic political positions.

According to our sources, this apparent determination of the U.S. "Atlanticists" was presumably taken into account by the presidency and the junta when making decisions a few days ago which also lead Argentina, voluntarily, to this "total war." In other words, to Argentina's continuing the conflict beyond the outcome of the great battle which is nearing in Puerto Argentino. There is one point in the issue, however, which attracts the attention of various sectors, both civilian and military: if this path was taken in harmony with certain political evaluations, why weren't required legal measures taken at the same time in order to promote and assure immediate mobilization of all efforts and national economic and military resources? The groups which are asking this question head--and they have made us aware of it--those in favor of continuing the fight against Great Britain even in the event that our forces are forced to abandon the islands. In this regard, we have even been told about the need to immediately set up an "air bridge" between the continent and the Malvinas, despite the enemy's air force, to strengthen our troops and equipment, if possible before the British massive offensive starts.

From the point of view of total war, the idea seems acceptable. The reasoning in these circles is the following: total war will demand continued and far-reaching military, political and diplomatic action, and the ability to maintain such action will considerably increase if "marines" and "gurkhas"

are defeated or if at least great losses are inflicted on them, since right afterwards, the winter season would greatly hinder future British operations and precious time would be gained to renegotiate, not excluding from such negotiations--they add--the possibility that Buenos Aires withdraw its troops and hand the islands over to the United Nations, in a little less than a unilateral way, since an important political interval enabling this position would have been gained. Summarizing, in the eyes of such groups the final fate of total war depends, to a large extent, on what happens in Puerto Argentino. Therefore, if there is really an inclination to total war--and from what we have learned General Galtieri would insist on this position, or at least that is what some of his recent visitors maintain (such as General Menendez from Cordoba, a first cousin of the chief of our forces in the Malvinas)--it is indispensable, they say, for a large part of the ground, sea and air forces stationed on the continent to be quickly sent to the archipelago.

Aside from our opinion on the appropriateness or inappropriateness of this plan for total war which is being handled at the top of the leadership, the truth is that until now the nation has not been mobilized even in the proportion required by the "limited" or partial conflict which, many believed here in April and May, we had with the British. In addition to not mobilizing, there was no concern--and here both the government and independent sectors have failed--about eliminating certain contradictions observed in the solidarity schemes underway. For instance, most of the public employees are asked for one day's wage for the so-called patriotic fund and sometimes even other contributions, which are indeed systematically recorded in the personnel files of workers. However, in some offices, such as in the General Directorate of Taxation (DGI), they continue giving "incentives" or "rewards" to agents for work performed (0.2 percent of the amount collected at DGI), which even in normal times could be objected to. Why aren't these amounts for "incentives"--nobody should be given incentives for fulfilling his duty--delivered directly to the patriotic fund?

We believe that if the country is headed towards total war with Great Britain--which unfailingly would also be with the United States--Argentines must be aware of the huge problems the country will be facing. In any war, triumph and defeat are equidistant, but it is not the same with destruction and death, which always seem more distant. Not long after 2 April when conversations with Mr Haig began to fail, we stated that there were too many hints indicating that Great Britain was preparing for a war of depredation, aimed not only at the islands but also at the Argentine mainland and even at breaking up Argentina, over the course of several years, the British-Argentine war only representing the first act. The Washington alliance with London after "assistance" which proved to be mere comedy at the time of the U.S. break, was for us new evidence of those hypothetical intentions, not only by the British but also by the United States. Finally the thesis was confirmed for us when London rushed to remove its famous "counter-proposal" upon which Argentina had been willing to continue negotiating, even though rejecting some of its points.



What would be the motives of Washington and London--London could never have such motives by itself--to launch such a campaign against Argentina to the extent of casting doubts over its future as a relatively independent country? Here are some:

- 1) Impunity. Concerning this point, it should be taken into account both that Argentina is absolutely isolated in the modern world, without excluding Latin America--despite its diplomatic support--and that the actual Soviet passive attitude is practically guaranteed since Soviets have their own "Argentinas" like Poland and Afghanistan where neither the United States nor Europe intervene.
- 2) The presumed U.S. wish to set a "precedent" in Latin America, which may tomorrow allow the United States to claim political and ideological "objectivity" in order to carry out military intervention in Central America. He who attacks a "rightist dictatorship" first can later "justify" before his voters and before many countries of the continent another attack on a "leftist dictatorship" like Nicaragua.
- 3) The prospects for reaching an agreement--with the USSR--on a structure of common interests of either the "northern" powers or the developed world, opposed to the underdeveloped countries of the "south." Such an agreement would be implemented now by means of a tacit, mutual nonintervention accord, which would permit the two blocs to secure control over sources of raw material.
- 4) The booty, which will first come through heavy "compensations" of war expenses which would deepen the country's dependence even further, and then through the establishment of local centers of tension which may pave the way for the partition of a large portion of our territory among regional centers of power more submissive to Washington.
- 5) The U.S. and European interest to lay the groundwork for a "new order" in the West, involving the most strict obedience to their central power, giving for that purpose an exemplary "lesson." That "lesson" would also open the way, in the U.S. and in the European societies, for the revival of the concepts of their cultural, political and racial supremacy, after a long period of depression of the so-called "Western spirit," caused by the successive thrashings by Vietnam, OPEC and Iran.
- 6) The above-mentioned aspiration, upheld by the most prominent "Atlanticists" like Mr Haig and Mrs Thatcher, to hide their wrong appraisal of the Argentine will to struggle and of Argentina's technical capacity for war, especially at a moment when those mistakes can be used by their rivals, Mrs Kirkpatrick and Mr Pym, to replace them in power.

As can be seen, the largest world powers may be now playing for higher and more significant stakes in Argentina. Circles abroad assert that London has decreed a kind of 48 or 72-hour "truce" to allow Washington to give us the "opportunity" to move out of the islands through the channel of a "last"

negotiation. This is the reason for the trip by Miret, Mallea Gil and Moya to the United States. It is also suggested that some U.S. sectors are pressuring London to make the agreement more honorable. This may or may not be true. Maybe the intention is to simply drive us toward total war; or, on the contrary, to immobilize us and, at the same time, gather new forces for the final assault. It may also be that Washington and London are already satisfied. That will be seen soon. Whatever the case, we believe that before adopting a definitive course, Argentines should very seriously reflect on the possible hidden ambitions and purposes which undoubtedly underlie this conflict, and also on the future that we want. Anyway, whatever we do, we shall be united, facing that future.

CSO: 3010/1678

## COLUMNIST SPECULATES ON POSTWAR POLITICAL SCENARIO

Buenos Aires LA NACION in Spanish 16 May 82 pp 8-9

[From "The Political Week" Column: "Winter and the Postwar Period"]  
[Excerpts]

First of all, we must assign utmost importance to the secret visit by Gen Vernon Walters, the former deputy director of the CIA, since it undoubtedly has a double meaning.

On the one hand, it expresses Washington's desire not to close the doors to a future restoration of the bilateral relationship with a country such as Argentina whose influence in the future inter-American system is bound to be relevant, regardless of the development of events.

On the other hand, the simple fact that the three commanders agreed to talk to the emissary shows that this desire is shared by the military establishment. This predisposition obviously could be expressed only after the arrival, from the capital of the United States, of some signals to the effect that the visitor was not coming to present a rehash of the irritating pressure exerted by Secretary of State Haig but only to keep the channels of negotiation open.

The channel for the transmission of these assurances should have been the military attache at the embassy of Argentina in Washington, Gen Miguel Mallea Gil, whose role in this and earlier stages of the conflict, it is suspected, was decisive.

The most substantial aspect among the statements made by Walters in talking to his conversation partners supposedly was that United States military support for Great Britain would be moderate, perhaps not much more than the support already given on Ascension Island.

Moreover, the end of the visit almost precisely coincided with President Ronald Reagan's public admission that progress had been made concerning Argentine "stubbornness" from the very first moment on.

#### Removal of Soviet Specter

In general, the moves made by Washington to reorient its secret diplomacy toward an area less close to the meridian of total rupture with Latin America--

in which it seemed to stay after the voting in the TIAR [Inter-American Reciprocal Assistance Treaty]--coincided on the local scene with the virtual disappearance of rumors as to a military agreement between Argentina and the USSR as an alternative that could by no means be ruled out.

On the contrary, the predominant impression in recent days was that this prospect--even if it did at one time exist in reality in the mind of some Argentine military leader--had moved away from the area of possible consequences of the conflict.

That impression undoubtedly was strengthened by the statements made by Mr Francisco Manrique after his lengthy interviews with President Galtieri and General Saint Jean to the effect that the possibility of an understanding with the Soviets would have to be ruled out and that one had better think of launching the "era of nondependence."

This new awareness also produced a pessimistic aspect in the statements by an authorized military establishment spokesman questioned by LA NACION: "This time," he said, "the red line linking Washington and Moscow is not going to work in such a way that we will wind up being the life of the party."

#### The New Activities of COMIPOL

Another offshoot of the return to the political emphasis which we mentioned at the beginning might be the renewal, last Tuesday, of the work of the COMIPOL [Political Commission] of the Armed Forces.

According to reliable sources, this body on that day considered a proposal from the Air Force, aimed at creating more complete forms of participation of the political forces in the consultative and advisory bodies. It must be made clear that the participation visualized here under no circumstances relates to the sharing of responsibility in managing all affairs of the state.

The initiative presented by Brig Gen Bonino advised the creation of three entities whose names and functions would approximately be as follows:

- (1) A National Security Council, under the Junta and made up of the chairmen of the main parties, with advisory functions on everything concerning international and national defense policies.
- (2) A kind of Economic-Social Council, made up of sector representatives (labor unionists, manufacturers, etc.), to operate as a consultative body for the CAL (Legislative Advisory Commission).
- (3) A Political Action Council, made up of representatives of the parties, linked to COMIPOL, to provide advice on the drafting of a plan intended to provide the setup for the transition toward a stable democratic system.

In general terms, the proposal's spirit supposedly was approved although not the forms that were suggested so that the teams which now do the work of the

COMIPOL in the respective commands would be assigned to study more operative formulas.

An authorized military spokesman told LA NACION that "the desired participation could be the point of departure for spelling out, in the future, the agreements between the Armed Forces and the political forces which the Junta announced in its message of 24 March."

At any rate, none of this could materialize immediately.

Once the formulas satisfying the three officers constituting the COMIPOL--General Iglesias, Admiral Arguedas, and Brigadier General Bonino--have been found, the project would be passed on for consideration by the Junta for its final approval.

Even so, it remains to be seen what degree of inclination could be found among the civilian forces to join such bodies, taking into account the fact that some similar proposals made recently by two party leaders during the information meetings called by the minister of interior were given a rather cool reception among most of the groups.

#### The Retired Admirals

Concerning the work in progress, this newspaper has gathered some data which cast light on the nature and the organization of the group of retired admirals which has been established and whose existence we reported in this same column last Sunday.

According to a Navy source, the group--made up, among others, of admirals Pereyra Murray, Couto, Barbich, Bardi, Abriata, Milia, and Fraga, and Captain Cohen--operates within the context of the Center for Strategic Studies at the Naval Academy.

Made up at the start of the conflict in the South Atlantic, the team has begun to prepare advisory studies on the strategic situation within the current international dynamics and the consequences which this entire complex of factors is bound to have on the domestic situation.

To put together a picture of the significance of all sectors of the country's activities, the admirals had to continue the series of personal contacts with political leaders, businessmen, and labor union leaders begun the week before with Drs Troccoli and Martinez Raymonda, among others.

Once the report has been completed, it will be forwarded to the Navy's COMIPOL team as another component of its work together with the other two services.

It remains quite clear that the information supplied by the Navy source tends to discourage any interpretation which in these steps taken by the Navy detects an intention to "cut itself off" from the other two services.

## Project Postponed

In the meantime, the waters of civilian political power have begun to be stirred by powerful winds which threaten to become real storms.

The top leadership of the Multiparty [Conference] received the first buffeting which, among other consequences, led to the momentary abandonment of the idea of sending the five chairmen to the United States to explain Argentina's reasons for the conflict with Great Britain.

Since some of the media had reported erroneous interpretations concerning what had happened in connection with that initiative, the readers must know that, before being left up in the air, the initiative could have adequate political and operational preparation.

The project, which is of radical origin, has the objective of working on United States public opinion to persuade the people there that the Malvinas [Falkland] operation was not the daring act of a military dictatorship but the expression of an old national aspiration.

The trip to the United States, whose cost would have had to be covered by a group of industrialists linked to the party, included steps to talk to the top authorities in Washington, the establishment of a support committee for Argentina, and intensive propaganda efforts through the Hispanic-American radio and TV networks managed by a group of Mexican businessmen.

Many personalities from the world of art and culture in the United States were consulted and agreed to join the committee.

Moreover, the idea was suitably expressed several weeks earlier to a counsellor of the United States Embassy in Buenos Aires during a visit made to that office by a delegation from this group.

A proper interpretation of the postponement of that initiative would involve a look at the domestic situation taking shape among the radical and other political forces. This is true especially if we keep in mind that the paralysis of that project and many others can be explained only in the light of growing questions deriving from the attitude adopted by the respective party top leaderships.

## Virtual Sedition in the Radical Civic Union

The most strident protest undoubtedly is the one which is about to take shape in the UCR [Radical Civic Union] if the petition from the District of Santa Fe, to convene the Full National Committee, is finally pushed through.

The fundamental points in the petition signal the need for examining the situation created after 2 April and immediately manning the first two posts on the Executive Board of the National Committee which have been vacant since the decease of Drs Ricardo Balbin and Raul Zarriello.

Sources close to the Movement for Renewal and Change, which is headed by Dr Raul Alfonsin, informed LA NACION that the district of Misiones, Catamarca, Salta, and three of the four delegates from Mendoza have decided to support the steps taken by the people in Santa Fe.

This virtual censure of the leadership, as embodied by the second vice chairman of the committee in charge of the office of the chairman, Dr Carlos Contin, provides impetus for the candidacies of Drs Arturo Illia and Carlos Perette for chairman and vice chairman, respectively.

While the latter had already expressed his refusal to accept the post, the former president of the nation has maintained eloquent silence from the city of Pergamino where he is resting up from the flu in his brother's home.

The district of Cordoba, whose attitude can be decisive in the final result of the struggle now underway, has so far not been heard from either. It is said in this connection that Dr Angeloz must precisely follow the posture which Dr Illia will adopt in the end.

It is also possible that, after that definition, the Chaco provincial committee, headed by Dr Luis Leon, will express itself clearly on the suggested alternatives.

#### Civilian Transition

The complicated domestic moves, which are obviously being taken apart from any legal consideration deriving from the political closed season now prevailing, have a well-known projection outside the party.

"This is a desperate game," one of the authors of the current strategy said last night, "aimed at creating an instance of civilian transition toward democracy after the conclusion of the conflict with the United Kingdom."

"The only civilian who the country has to head a process of that kind," he added, "is Dr Illia of whom nobody could think that, with his 82 years, he would have any ambition to hold power for the future."

#### Enthusiasm and Caution From Peronism

The other process we must look at is taking place within Peronism whose first precise instructions, given by Mrs Maria E. M. de Peron, have been generating a reaccommodation among the various domestic sectors.

The organization of masses in memory of the fallen, requested by the former lady president, showed that the strongest inclination to follow the directive came from the labor union sector headed by Lorenzo Miguel and Nestor Carrasco and the verticalist political fringe as expressed in the Managing Commission of the Congress of Unity of the Peronist Movement.

The leaders Guardo, Ares, Llambi, Unamuno, Alvarez, Adroque, Gatica, Beni, Rodriguez (SMATA [Union of Mechanics and Related Automotive Transport Workers]), among others, signed a document of total support for the wishes of Peron's widow.

On the side of these two major sectors, the enthusiasm of the women's branch contrasted clearly with the cautious parsimony displayed by the writer Bittel and Dr Robledo.

5058

CSO: 3010/1573



## FRUGOLI: U.S. HAS RESIGNED LEADERSHIP

PY040018 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2147 GMT 3 Jun 82

[Text] Buenos Aires, 3 Jun (NA)--Defense Minister Amadeo Frugoli said today that victory in a war means "to destroy the will of the opponent," and he pointed out in this regard that the Argentine will "will never be destroyed," referring to an eventual end of the warlike conflict with Great Britain.

In relation to an imminent battle in Puerto Argentino, he maintained that the Argentine position is "very firm," and he clarified that this concept went beyond the strictly military field.

The minister emphasized that whatever the outcome of the conflict, Argentina has already gained before the eyes of the world "a resounding victory," and that from now on it will be "a country worthy of respect."

Frugoli made statements to the press at the metropolitan airport upon his return from an over 24-hour tour to air force bases in the south of the country.

Frugoli termed his trip "fully satisfactory" and said that it included visits to the southern air force stationed in the ninth brigade of Comodoro Rivadavia and to various bases located in Santa Cruz Province.

He explained that he had a chance to observe the degree of preparation of pilots and of the technical elements of the air force, besides talking with protagonists of many warlike actions in the theater of operations.

He praised the "great professional capability" and the "really extraordinary courage" of these pilots.

He assured that he found their spirit was "optimum," such as if the fight "were stimulating the spirit of the pilots, the heroic sense of the mission they are accomplishing."

He then reported that he talked with two of the pilots who participated in the raid against the British aircraft carrier "Invincible."

Mentioning the story which these air force men told about the action, he pointed out that their acknowledgement "has nothing to do with the news coming from London according to which the damage to the flagship was minor."

Questioned on the news at the theater of operations today, he stated that according to his information "the weather conditions have not allowed the carrying out of operations today" in the Malvinas area.

He specified that the British fleet did not enter the zone close to the islands and that "there was nothing but routine actions" of which he did not give details.

He then declined to make a statement on the possibility of the British awaiting the arrival of reinforcements or else more favorable weather conditions to attack Puerto Argentino.

He pointed out: "I do not know what the position of the invading forces is, but evidently they have not decided to carry out any attack, at least not today."

He added that "tense expectations" are maintained in view of the possibility of an imminent fight and confirmed that "no doubt the Argentine position is very firm, both in the military sphere and in the degree of our convictions."

He emphasized that "beyond any other outcome, we have already won a resounding victory, both at the international level and in the domestic order."

He maintained: "At the international level we have been able to make the Malvinas cause and the fairness of our position deeply penetrate into the consciousness of humanity, which will make the colonialist pretensions of our aggressor more intolerable day after day."

He asserted that Argentina has become "a country worthy of respect" at the international level and anticipated that "it will gain a decisive position in the concert of nations."

He also believed that the conflict in the South Atlantic was helpful for Argentina knowing in the future "who our friends are and how we must behave and place ourselves within the world."

He added that domestically "our deep coherence, which enables us to find solutions to old and deep Argentine problems" was proved.

He summarized his thought by assuring that the government has achieved "the fundamental political goals which we intended," and in regard to the war itself, he deemed that any warlike encounter "is successful for one of the sides when this gets to destroy the will of the adversary."

He concluded: "Our will can never be destroyed, whatever the consequences warlike fight requires from us."

Previously, in Rio Gallegos, shortly before leaving for Buenos Aires, Frugoli mentioned the possible military aid that Argentina would get from the USSR.

He said that this issue "is within the competence of the military committee" and that "any decision in this regard must be made by the high state organization."

CSO: 3010/1678

BUSINESSMAN INTERVIEWED ON PRC VISIT

PY042054 Buenos Aires Domestic Service in Spanish 1600 GMT 4 Jun 82

[Interview with Gabriel Borda, president of the Argentine-Asian Chamber of Commerce, on 3 June 1982 at the Saporiti News Agency Cultural Center--recorded]

[Text] [Question] You have recently made a very important business contact in the PRC. Can you give us any information?

[Answer] Yes, sir. Representatives of the official and private sector went to the PRC from 19 to 23 April at a very critical moment in the history of our country. Our gesture was deeply appreciated considering that representatives of the official and private sectors of a country at war had gone to the PRC. The purpose of the trip was to attend the second meeting of the Argentine-PRC joint commission and the first meeting on Argentine-PRC economic cooperation. These were the main objectives of the trip.

[Question] What significance could trade with Asia, that smooth flow with Asia could have at this juncture in view of the European blockade against our country?

[Answer] The Asian continent has undoubtedly acquired a significant role in our future. There are two areas which will be fundamental in our future. One is Latin America. Yet Latin America undoubtedly has limited technology and production, especially concerning chemical products. For this party, Asia has no limitations, that is, Asia can perfectly meet our needs for chemical products.

The blockade is undoubtedly causing problems, especially concerning spare parts for industrial sectors. I believe, however, that these parts will be produced locally as soon as our industrial capability is restored and the auto parts industry starts operating again. Although Argentina can substitute one industry for another, its industrial sector has been virtually paralyzed.

[Question] In clear terms, in simple figures, what could we import from the PRC and what could we offer it?

[Answer] Well, trade with the PRC has been thus far favorable to Argentina. This is natural because our country has 25 million people while the PRC has 1 billion. And since the PRC needs food, this is precisely a factor in bringing the imbalance in our favor. Regarding specific products, the PRC has been importing cereal grains, textile fibers, fertilizers, iron, steel and nonferrous metals while Argentina has been importing from the PRC mainly petroleum byproducts and some chemical products. On these bases, it would be easy to open new markets because Argentina has been totally bound to the European and U.S. markets. We have been tied by a partial view of the world. We will now have the substitute markets. Yet this substitution will have to stem from a change of mentality of the Argentine business sector.

Showing awareness of the situation we are experiencing, the Argentine business sector will have to change suppliers despite the difficulties this will entail. Yet our men who are fighting in the south are enduring far more difficulties.

CSO: 3010/1678

## BATELCO UNION VOTES STRIKE, PUTS QUESTIONS TO MANAGEMENT

Nassau THE TRIBUNE in English 10 May 82 p 1

[Article by Athena Damianos: "Batelco Union Votes To Strike"]

[Text]

**BATELCO union members voted unanimously to strike over their current contract dispute with management at an emergency meeting Friday night.**

The workers, who are on their third go-slow for the year, must wait out a 30-day "cooling-off" period before they can strike. This means that they may legally strike on June 6 - just four days before the general elections.

The union's current dispute with management arose after both parties reached a tentative agreement on the total cost of a new, three-year contract regarding salaries and fringe benefits on April 9.

The new dispute developed over management's decision to include the cost of overtime in the contract "as well as dictating what the salary increases should be."

The union said that management had agreed to let it decide how the money would be distributed, but then backed off calling the union's salary structure proposal "discriminatory."

The union had proposed that the biggest pay increases should go to workers in the engineering and computer sections because they are highly skilled areas. However, it said that everybody would get a good pay increase under its proposal.

During Friday's meeting, union vice-president Keith Archer told members not to allow themselves to be manipulated by management which is trying to "promote dissension within the union over the question of salary increases."

The union said that although management had rejected its salary proposal, it had not received a counter-proposal until just before Friday's meeting.

The union reminded management that it (the union) was the duly recognized bargaining agent for the workers and just as management would not deny its right to manage the Corporation, the union will not abdicate its right to represent the workers, the union said.

And the union raised the following questions:

- If management really cares for the workers, why has it "systematically discriminated" against deserving workers over the years by denying them increments because they are at the maximum of their salary scale?

- Why has management ignored to date the union's persistent representation that Batelco's outdated pay structure be revised?

- If management really cares, why did it insult its hard-working members by offering them a pay increase of just 17 per cent over three years while the Corporation makes a huge profit?

## JOCKEYING OF PARTIES IN FULL SWING FOR GENERAL ELECTION

## Vanguard Party Candidates

Nassau THE TRIBUNE in English 7 May 82 p 1

[Text]

**THE SOCIALIST Vanguard Party has nominated eighteen candidates, all in New Providence constituencies, to contest the June 10 general elections.**

Nominated are: Lewis A Symonette (Fox Hill), Nelson A Zonice (St Agnes), Wesley Campbell (Yamacraw), Sterling T G Hanna (Blue Hills), Arthur W Hamilton (St Barnabas), Dr John T McCartney (St Michael's), Charles A Fawkes (Grant's Town), Maurice A Brooks (Bamboo Town), Basil A Sands (Fort Fincastle), Leslie French (Bain's Town), Wallis C Carey (Centreville), Vernon Darville (Yellow Elder), Lionel D Carey (Englerston), Ellery Deveau (Pinedale), Royal C Hamilton (Delaporte), Samuel P Bain (South Beach), Kevin P Hamilton (Salem), Gwendolyn C Claude (Fort Charlotte).

Vanguard leader Dr John McCartney, in an interview, criticized the incumbent Progressive Liberal Party and the official opposition Free National Movement for having inspired no enthusiasm in the Bahamian people during this election campaign.

"The PLP has been in for so long and their record of failure is there for all to see," Dr McCartney said. "The FNM is not offering anything that is

qualitatively different from the PLP. Many of them (FNM) have already been a part of the PLP. They claim to appeal to the masses, but the Bahamian masses can't believe in either of them (FNM or PLP). So, because of that there has been a lack lustre attitude. You may even call the attitude lethargic."

With the Vanguard Party entering the contest under the theme 'Bring in the new in '82,' Dr McCartney feels this is going to change the situation dramatically. The electorate, he said, will be able to choose fresh faces, and courageous people, people who have sacrificed, and people who have not been tainted with connections with the PLP or the FNM.

"Therefore as I see it, the Vanguard Party will provide the catalyst to really show the Bahamian people what needs to be done in their country," Dr McCartney said.

Dr McCartney thinks that because of the number of candidates put up by the Vanguard, the myth that there are only two parties in the country will be dispelled.

"There are in effect two parties, but one is the Vanguard Party which offers the masses hope, honesty and commitment," Dr McCartney said. "The other party, because

they stand for the same thing, is the PLP and the FNM. So, for the first time we are going to have a real two-party contest in the country."

The Vanguard had initially intended to nominate at least 23 candidates. However, they are satisfied with 18.

"We feel that the election is going to be so close that the deciding equation in the contest will be the Vanguard Party," Dr McCartney said. "Whoever wants the Government has to deal with us."

Dr McCartney sees the PLP's record of failure in Government, corruption, poor representation, the economic failure, massive unemployment, "and the fact that these two parties (FNM and PLP) offer no future," as the issues in this election.

"Another issue in this election is that our young people are willing to stand up and challenge the PLP and the ruling class in the country," Dr McCartney said. "The fact that the Vanguard is here, vibrant and strong, proves that point. They can't write us off as a fringe group anymore."

Dr McCartney said he is "very confident that the message of socialism is being accepted by the people. I am confident that they can't stop us now. It's only a question of time."

## Interview With FNM Leader

Nassau THE TRIBUNE in English 7 May 82 pp 1, 12

[Article by Gladstone Thurston: "Isaacs Claims 10% Swing Away From the PLP"]

[Text] More than ten per cent of those who supported the Progressive Liberal Party (PLP) in the last elections have joined the ranks of the official opposition Free National Movement (FNM).

That was the estimate of FNM leader Kendal G.L. Isaacs who this morning quietly nominated as the candidate for the Delaporte constituency in a four-way contest on June 10.

In an exclusive interview with THE TRIBUNE, Mr Isaacs commented on the June 10 general elections which he sees, without exception, as "a straight fight between the PLP and the FNM."

During the 1977 elections, the main opposition was divided between the Bahamian Democratic Party (BDP) and the FNM. As a result, the opposition votes were split between those two parties giving the PLP smooth sailing to a 30 seat victory.

"The BDP and the FNM are now combined, so when you look at the '77 results and you are making a projection of what will happen in '82, you have to add those votes together," Mr Isaacs said. "Between '72 and '77, there was a swing of five per cent away from the PLP."

"I am convinced that from '77 to today the swing (away from the PLP) has been much more than that and I would venture an estimate of more than 10 per cent. If I am correct in that, the FNM will win," he said.

Also contesting the Delaporte constituency are incumbent Phillip Pinder of the PLP, Royal C. Hamilton of the Vanguard Party, and Nicole Jacques of the Workers Party.

Mr Isaacs does not see the Vanguard Party or the Workers Party as having any influence on the upcoming election. "From the point of view of influencing the election, their part will be nil," he said.

He noted though, that it would be interesting to hear what solutions the Vanguard Party claims they have for the many problems facing the nation "but I don't think things are bad enough economically for the Vanguard Party to make a showing in this election. I feel I can say the same about the Workers Party."

In the Delaporte constituency, Mr Isaacs feels confident that he has the support of the majority of young and old voters.

"The young people by and large are unemployed and as a result of that they are annoyed at the PLP because they have not done anything tangible about unemployment," Mr Isaacs said, "We have a strong group of young people working for us."



Mr Isaacs named the poor state of the economy, the high crime rate, and corruption in Government as being the main reasons for disaffection from the PLP.

"Most people feel the high crime rate is the main issue in this election," Mr Isaacs said. "It's running even or a little ahead of the depressed economy and unemployment. This Government has become corrupt; definitely arrogant. And there's victimisation. It frightens me what would happen in this country if the PLP would win."

The PLP was also criticized for its lack of proper planning, especially as far as the economy is concerned. The PLP's policy on investment "has been bad for the country from as far back as 1970 and that was the main reason why the FNM came into being," Mr Isaacs said. "Nearly 90 per cent of our predictions about the PLP has come true, especially our prediction about investment. They have been stifling foreign investment."

There has been feelings expressed that the PLP may sweep the Family Island constituencies," Mr Isaacs said. "I see us faring very well in the majority of them, including Grand Bahama. I don't think that the radio has had all that much influence (on Family Island voters)."

Should the FNM win the Government, Bahamians "are going to see evidence of the change almost immediately," Mr Isaacs said. "There is going to be an entirely different climate. This community all over the Bahamas has become a frightened community. That's something we have to get rid of."

Up to press time all the FNM candidates in New Providence had nominated.

#### Details of Nominations

Nassau THE TRIBUNE in English 8 May 82 p 1

[Text] The stage has been set for what is expected to be the most interesting elections since Independence.

The incumbent Progressive Liberal Party has fielded a full slate of 43 candidates in every one of the 43 Constituencies and the official opposition Free National Movement have a slate of 42 candidates for the June 10 elections. Altogether 109 candidates nominated yesterday.

The surprise of nomination day was the nomination of Deputy House Speaker Henry Bowen as a candidate for the Pineridge, Grand Bahama constituency, although his party, the PLP already nominated Senator Jeff Thompson for that seat.

And, Walter Moore of the FNM, in an apparent show of discontent, nominated in Marco City, Grand Bahama, where the FNM chose C.A. Smith to run against the PLP's Wellington 'Doc' Stuart.

Millionaire businessman Winston Albury also entered the race for the North Long Island Rum Cay and San Salvador constituency against incumbent Philip Smith of the PLP and the FNM's E.K. Minnis.

The socialist Vanguard Party, entering its largest slate in its ten-year history, nominated 18 candidates to contest seats in New Providence. The Workers Party nominated two candidates and the Commonwealth Democratic Party nominated one.

The PLP had named its candidates from last October during its convention. There were no surprise nominations there except that of Bowen. Mr Bowen was dropped as the PLP's incumbent candidate for West End Grand Bahama and Bimini after he fell out of favour with certain leading party officials.

The FNM had indicated a long time ago that it did not intend to oppose Mr Solomon if he sought re-election in St John's where he is the incumbent. Earlier, Mr Solomon had tried to get support to contest the Montagu constituency, but later withdrew.

An interesting contest is expected in Grand Bahama where the PLP is trying to regain recognition after the voters in Freeport rejected Youth Sports and Community Affairs Minister Kendal Nottage, a close friend of the Prime Minister. The FNM ended with two of the three seats there in the last election.

This time there are four seats in the district and nominating for the FNM are chairman Cecil Wallace Whitfield (Pineridge), Maurice Moore (High Rock), C.A. Smith (Marco City), and Arlington Butler (West End).

It is generally felt that the FNM has a team strong enough to retain a majority of the seats in Grand Bahama.

Another interesting contest should be between the FNM's parliamentary leader J. Henry Bostwick and Works and Utilities Minister A. Loftus Roker in Nicholls Town, Andros. The FNM also feels it has the edge in the race for the Bimini-Berry Islands constituency.

The only four-way races are in Delaporte and St Michael's. In Delaporte, incumbent Philip Pinder will be facing FNM leader Kendal G.L. Isaacs, Workers Party candidate Niecola Jacques, and the Vanguard Party's Royal C. Hamilton.

In St Michael's the incumbent George Mackey of the PLP will be up against Vanguard Party leader Dr John McCartney, the FNM's George Wilson and the Worker's Party chairman Rodney Moncur.

There will be three-way races in 16 New Providence districts where the PLP, FNM, and Vanguard Party will square off.

Another three-way race will be in North Long Island, Rum Cay and San Salvador constituency where incumbent Philip Smith of the PLP faces E.K. Minnis of the FNM and independent candidate Winston Albury.

Both the PLP and the FNM are predicting victory with the Vanguard Party feeling it can be a deciding factor. Any political party has to win 23 seats to be able to form the government.

## NUPW LEADER BACKS WAGE INCREASES, ATTACKS MEDIA

Bridgetown ADVOCATE-NEWS in English 18 May 82 p 1

[Text]

The National Union of Public Workers (NUPW) yesterday warned that it had little alternative but to press on for increased earnings for its members, and told public workers that the road to achieve these was not easy.

And at the same time President of the union, Mr. Horatio Cooke, launched a stinging attack on the media for what he said was the biased journalism being practised in the island.

Mr. Cooke outlined his union's position on both matters as he addressed participants at the opening of a basic training course for the union's Shop Stewards at NUPW headquarters, Dalkeith, St Michael.

On the matter relating to revision of salaries for public workers, Mr. Cooke said that over the bargaining period the cost of living, as measured by the retail prices, would have risen by approximately 30 per cent.

He said too that the 30 per cent was below the real increase in the cost of living since it did not take into account the health service contributions, the transport levy, unemployment levy and National Insurance contributions which workers had been called upon to pay.

The NUPW official ex-

plained that his union's average proposed increase was 28 per cent which he noted was more than two per cent lower than the increase as measured by the Retail Price Index.

But said Mr. Cooke: "In spite of the NUPW's self restraint, the Government made an unrealistic offer of \$18 a week across the board i.e. 15.6 per cent at bottom and 2.6 per cent at top."

He went on: "Comrades, the road ahead is not an easy one. We must travel it together."

Earlier in his address Mr. Cooke made reference to what he said was the general attitude of the media towards the trade union movement and the salaries and wages negotiations with Government.

He cautioned that the NUPW was not waging a war with the media but it must comment from time to time on the unbiased journalism practised in Barbados — journalism which most of the time is adverse to the working classes and the trade unions.

Mr. Cooke stated that when lay-offs in the Public Service were at their peak the NUPW put forward and insisted on a number of proposals to deal with the matter.

These were meaningful

consultations to seek out acceptable alternatives in the event the first being unsuccessful, there should be a procedure arrived at to determine who should be laid off, and the matter of compensation to be agreed on.

He said that with that objective, just thinking people would have agreed that the NUPW and the workers had a strong case.

But according to him: "To date no one newspaper or radio station has the conviction to state that we were right or that the workers had a strong case."

He added that no one editorialised on the injustice being perpetrated on the workers by Government, and no columnist pontificated on the principles of industrial

Mr. Cooke added that workers were still being laid off and the NUPW was awaiting confrontation on reinstatement and compensation behaviour.

He told the public workers that they stood alone against their employer, and urged them not to despair since "a united public service is stronger than the strongest Government."

## PROPOSED EMERGENCY POWERS BILL STIRS BROAD CONTROVERSY

'ADVOCATE-NEWS' Editorial

Bridgetown ADVOCATE-NEWS in English 17 May 82 p 4

[Editorial: "Emergency Powers Bill Far-Reaching"]

[Text]

When the House of Assembly meets tomorrow it is expected to debate a Bill described as "an Act to make better provision for the public safety and defence of Barbados during a period of public emergency." In its concept the Bill is nothing new if we see it in the context of the Constitution that makes provision for a "period of public emergency." Where the new Bill has its sting is in the wide ranging powers it places in the hands of the Government minister. It is these powers that will form the crux of the debate.

In the final resort it is also not so much the wide-ranging powers placed in the hands of the Minister that creates the greatest worry but the fear of how a minister might be tempted to use those powers. From the start there are no precise lines drawn as to what constitutes a state of emergency in a country. There have been cases where the most that can be said about some declared states of emergency is that they were the result of whim and fancy. It will be recalled, for example, that in one African State a few years ago the Prime Minister of a Government in power during a general election declared a state of emergency when he found that his opponents were heading for victory at the polls.

We might have confidence in our own system of Government to feel that no such development will ever arise in our country but it is never something that we can take for granted. We must realise that laws passed in our lifetime will

inevitably be around to create embarrassment for our children and our children's children if we do not pay careful regard to their over all implications.

Once a state of emergency is declared people can be arrested without a warrant; the new Bill will give the Minister the right to take any such person detained "to a place where the Minister is satisfied his presence is required in the interest of justice or in the interest of the person detained." All these are subjective decisions. We need say no more about this.

It is on this same point of subjectivity that we regret the Bill does not take the opportunity to give more weight to the decisions of the Review Tribunal where a detained person has sought to have the Tribunal review his case. The Bill says that "On a review of the case of a person to whom this section refers, the Review Tribunal may make to the Minister recommendations concerning the necessity or expedience of continuing or discontinuing the detention." But then section (5) adds: "No recommendation made under subsection (4) is binding on the Minister."

We might well ask that if the recommendation of the Tribunal is not to carry any real weight why have it in the first place. As the Bill stands the minister does not have to pay any attention to what the Tribunal says and so a subjective decision can still prevail.

The drafters of the Constitution in Chap. 3, Sect. 13, subsection (7) put a

similar idea this way: "On any review by a tribunal in pursuance of subsection (6) of the case of any detained person, the tribunal may make recommendations concerning the necessity or expediency of continuing his detention to the authority by whom it was ordered, but unless it is otherwise provided by law, that authority shall not be obliged to act in accordance with any such recommendation."

The Constitution clearly gives an opportunity in the words, "unless it is otherwise provided by law" to remove from the minister the last word.

The Bill is not likely to create any controversy where a state of emergency is the result of a flood, earthquake, storm, all usually described as "an act of God." The minister will have a free hand in controlling various supplies and their distribution; and will have power to make regulations safeguarding and regulating the provision of any service necessary to life or health."

Among these wide-ranging powers is also "the censorship and the control and suppression of publications, writings, maps, plans, photographs, communications and means of communications." Here again it is at the minister's discretion during a state of emergency and he might well claim that any action taken is in the public interest.

The risk we run, too, is that at the very time the citizens of this country might be in need of vital information to better understand what they are up against they could be denied this and given only that side of prevailing issues which the Government in power cares to circulate. It does not take too much speculation to anticipate which side of the story will be allowed the widest circulation. If we look at what is happening in Argentina and Britain, in how reports about the fighting in the Falklands are being given, for example, we can better appreciate how censorship and control can be used to confuse any populace where vital issues are concerned.

However, as we said earlier, the Bill

retains the spirit of the Constitution to some extent and if we accept our Constitution as it is we cannot fault the new emergency Bill in this regard, at least where it sticks to the wording set out in the Constitution dealing with measures for "a period of public emergency."

What is conspicuously missing from The Bill, but which is stated in the Constitution on the question of detention is that important clause in Chap. III, Sec. 13 subsection (8). It reads: "When any person is detained by virtue of such law as is referred to in subsection (5), the Prime Minister or Minister authorised by him shall, not more than thirty days after the commencement of the detention and thereafter not more than thirty days after the making of the previous report, make a report to each House stating the number of persons detained as aforesaid and the number of cases in which the authority that ordered the detention has not acted in accordance with the recommendations of the tribunal appointed in pursuance of subsection (6);

"Provided that in reckoning any period of thirty days for the purposes of this subsection no account shall be taken of any period during which Parliament stands prorogued or dissolved."

It is this section in our Constitution that ensures people detained will not figuratively rot in jail without the rest of the country knowing about their fate. An example of how easy it is for people detained to be forgotten or to be held in conditions where no one is sure of how they are being treated is Grenada. We do not regard the publication of the names of detained persons in the Official Gazette to be enough. In the House questions can be asked.

We are sure that our Parliamentarians will have quite a bit to say about the new Bill. It is not something that most Barbadians can afford to disregard. It is not enough to argue that we might never face a state of emergency in our life-time. What we are doing is setting out the ground rules that will affect others, if not ourselves.

Bridgetown THE NATION in English 17 May 82 p 20

[Text]

**THERE is mounting opposition in Barbados to Government's proposed Emergency Powers Act, 1982, which seeks to make "better provision for the public safety and defence during a period of public emergency".**

**Opposition parliamentarian, Dr Richie Haynes, has spoken out against the act, and says that the Democratic Labour Party (DLP) will be opposing it vigorously.**

**The Peoples Pressure Movement (PPM) too is mounting a public campaign against the act, and the Barbados Industrial and General Workers' Union (BIGWU) plans to speak on it "in the near future".**

The second reading of the Emergency Powers Bill will be given in the House of Assembly tomorrow by Prime Minister Tom Adams. The act and its regulations would apply only during a period of public emergency as defined by Section 25 (1) of the Constitution.

According to Section 25 (1) a period of public emergency refers to "any period during which (a) Barbados is engaged in any war; or (b) there is in force a proclamation by the Governor General declaring that a state of public emergency exists; or (c) there is in force a resolution of each House supported by the votes of not less than two-thirds of all members of that House declaring that democratic institutions are threatened by subversions"

Said Dr Haynes: "The act is a serious infringement on the civil liberties of all Barbadians. It sets up a tribunal and the minister does not have to follow the recommendations of the tribunal. It compromises the position of the judiciary whom I hope will have nothing to do with it."

Haynes said that he believed the reason why the Government was seeking this act at the present time was that of the "social and economic climate created by the Government and the economic measures being introduced, and the Government, as expected, is now turning on the people and their representatives".

Said Haynes: "The act provides for the arrest of persons without warrant even before they have committed an offence and for the minister to determine the punishment of detainees for breaches of discipline."

He said too that it provided for censorship of the Press, compulsory acquisition of people's property, and for requesting persons to work and render services which he described as a direct and serious blow to the trade union movement.

Political activist, Eric Sealy said: "The PPM is diametrically opposed to this repressive legislation which is definitely an attack on the working class people and workers organisation."

Sealy said that the PPM was directly opposed to the section of the bill which stated that no recommendations of the review tribunal were binding on the minister.

To press its case, the PPM will be mounting a public campaign this week, beginning on Wednesday with a meeting in the Fairchild

Street Market Square at 8 p.m. The following evening at the same time, the PPM will move its platform to Brereton Village, St. Philip, and on Saturday at 10 a.m. there will be a demonstration starting at Eagle Hall, proceeding along Barbarees Hill, Baxters Road, and concluding with a meeting on the corner of Hopes Alley and Swan Street.

Sealy said that one of the reasons he felt the Government was seeking such power at present, was that it expected trouble from the Civil Service arising out of current negotiations.

About this, however, Horatio Cooke, of the National Union of Public Workers (NUPW) said the NUPW was still negotiating with Government; there had been no deadlock; and the union had not even discussed the bill. Cooke added that Sealy was not a member of the union and therefore could not speak for the union.

Bobby Clarke, president of the Barbados Industrial and General Workers' Union (BIGWU), said that his union would be speaking out against the proposed act shortly. He did not elaborate.

#### Adams Rejoinder

Bridgetown THE NATION in English 18 May 82 p 1

[Text] **THE Barbados Government has no plans of declaring a state of emergency, and does not think that the trade union has plans of creating one.**

**This position was taken yesterday by Prime Minister Tom Adams at the Grantley Adams International Airport minutes after arriving home from a trip to Canada and Bermuda.**

Adams dealt at length with the Emergency Powers Bill which is to go before the House of Assembly for the second reading today, and which has been the subject of much public discussion over the past few days.

Adams said: "They (the Democratic Labour Party) made these provisions in 1966, but they never made any law bringing them into force; and that is why the Emergency Powers Bill is new before the House."

He said: "The provisions now exist in our Constitution because of the DLP, and if a member of the DLP now seeks to quarrel with the provisions of the tribunal, he should argue with his own party."

He continued: "I, therefore, regard it as one of the most despicable hypocrisies with which I have had to contend since 1978 with the DLP, that they should now attack the very constitutional provisions which they themselves provided for Barbados."

Adams said that up until the time of the bill, such powers of detention as existed in what was called Common Law, could still be exercised, and the only protection a detainee would have would be the Constitution.

"We are extending liberties to possible detainees. We are not in any way restricting them. We are extending the liberties for which we fought in 1966, and the public would be well advised, on this occasion at least, to understand that the whole thing is a monstrous piece of political hypocrisy on the part of the DLP to attack the present Government for passing into law provisions identical with those of the Constitution that the DLP introduced into Barbados," Adams said.

Adams said there were some modifications to what the DLP provided, and the present bill did not provide for the Draconian measures of the DLP.

Asked if the trade union movement would suffer from reduced privileges because of the bill, Adams said that the only time he knew of plans to arrest union leaders was in the 1960s during the sugar windfall crisis, when papers were drawn up for the arrest of L.B. Brathwaite, M.E. Cox, and O.T. Ailder.

He continued: "Certainly when I came into power, I found orders relating to the Transport Board: Compulsory Service Orders, and model detention orders in case an emergency had to be declared during a transport strike. The DLP would know all about detaining trade union leaders, and people that they did not like, in time of trade union strikes."

The Prime Minister also stated that the Constitution did not allow for persons to be ordered back to work except in cases of floods, hurricanes, or earthquakes.

"In fact," said Adams, "the Constitution forbids that."

## DLP Critique

Bridgetown ADVOCATE-NEWS in English 18 May 82 p 2

[Excerpt]

The official Opposition Democratic Labour Party (DLP) in Barbados has called for a demonstration of popular concern over a controversial piece of public order legislation which is to have its second reading in the House of Assembly today.

Government says the Emergency Powers Act 1982, as the Bill is called, seeks to "make better provision for the public safety and defence of Barbados during a period of public emergency."

Under the provisions of the Act, the relevant minister is empowered to place under detention anyone he considers a danger to public safety. The arrest can be made without a warrant and the individual detained "in such place and under such conditions as the minister directs."

Speaking at a public meeting in Fairchild Street, last Sunday night, Opposition Leader, Mr. Errol Barrow, said the Government of Prime Minister Mr. Tom Adams was making the move because "things in this country are becoming intolerable" both economically and socially and Barbadians were reaching "the breaking point."

"...They want us to agree, which we can never agree to, that if that minister is satisfied, with respect to anyone of you or us, that with a view to preventing anyone from acting in a manner that he considers is likely to endanger the public safety, the minister may make an order directing that that person can be put in detention, (and) containing precisely the grounds of the detention," Mr. Barrow told

the large crowd.

The former Prime Minister added: "The Bill also goes on to say that the minister could authorise the search of persons and premises and the seizure of anything and his detention for so long as may be necessary for the purpose of any examination, trial or enquiry."

"It also says that a person may be arrested at anytime without a warrant, and all of this on the advice of the minister. What is worse now, the minister may, in (Bill) has the basic elements of fascism," he told a responsive crowd in Independence Square.

Dr. Haynes, a medical practitioner, charged that during the industrial unrest in the sugar industry here in February, the authorities had perused the laws of the land to see if they could curtail the power of trade unions.

But he said the Government found that the Labour Movement was given special protection under Barbados law to carry out their activities — protection which the controversial Act would now take away.

The DLP parliamentarian also alleged that the Government had decided to grant public servants no more than a Bds\$20 across-the-board pay hike this year and the legislation was in anticipation of the industrial unrest likely to be sparked off.

"...So all the rights that the trade unions would have fought for over the decades would be swept away by this piece of legislation," Dr. Haynes claimed.

particular, make regulations in respect of a whole host of things, taking away your property (and) authorising search."

"But what is very significant is,....(he) can amend any law, suspend the operation of any law applying with or without modification, any law other than the Constitution."

Shadow Minister of Finance Dr. Richard Haynes, who took over the subject from Mr. Barrow, said provision was made in the Bill also for censorship of the Press, with the relevant minister deciding what should or should not be published.

Dr. Haynes, a favourite to take over the DLP leadership when Mr. Barrow steps down, charged that the Bill, gnawed at the core of the civil rights and liberties of Barbadians, and its aim was to move authority away from the police into the hands of the Defence Force.

"This country is being turned into a Latin American banana republic. This (the



## MOVES TO PROVIDE LAND FOR TENANT FARMERS GAIN GROUND

## Passage of House Bill

Bridgetown THE NATION in English 5 May 82 p 12

[Text]

PARLIAMENT here yesterday hailed a new bill which seeks to give plantation tenants freehold title to agricultural lands, as a revolutionary piece of legislation that ensures small farmers an equal stake in the country's economic fortunes.

It was given unanimous passage in the House.

Attorney General Louis Tull, who introduced the bill in the absence of the Minister of Agriculture, Dr. Richard Cheltenham, said it was the expansion of a programme to extend benefits to "people who have suffered so long and achieved so little".

Lindsay Bolden, who was Minister of Agriculture between 1976 and 1978, said the measure would give the plantation worker a sense of responsibility and a sense of belonging, and put him on the same footing as the big plantation owner.

"A man with a piece of land is a bold man on Broad Street," added Bolden, parliamentary representative for the rural St. Joseph constituency.

And parliamentary Leader, Lionel Craig, who as Minister of Housing before the last general election had some inputs in the legislation to be cited as the Agricultural Holdings (Option to Purchase) Act, 1982, told the House that Government was making it necessary that plantation landlords sell to tenants, and at the same time give small farmers a stake in the land.

Even though Opposition member Branford Taitt was critical of the revolutionary tag attached to the legislation, he said his side had examined and found nothing wrong with its proposals.

It was not against the small man and contained nothing to stir controversy, added Taitt.

"It is an actual child to other bills passed in this House," the Opposition member said, and promised full support for the measure.

The new bill is accompanying legislation to the Tenancies Freehold Purchase Act, 1980, which established a legal right of tenants to purchase house spots, and made it mandatory for plantation landlords to sell.

It has also been necessitated with the realisation that some tenants lived on their house spots, but also rented agricultural lands far away from their places of abode.

Like the Freehold Tenancies Act, the Agricultural Holdings (Option to Purchase) Act qualifies a tenant as one who has been cultivating the agricultural holding for five consecutive years, or for five of the last seven years.

It also includes his spouse or child, as defined by the Succession Act, living in the household of that tenant.

It also provides for a judge of the High Court to determine the compensation payable in the absence of an agreement on purchase price between the landlord and tenant. And, the legislation empowers the High Court to grant a tenant good title in accordance with the act, if the qualified tenant is unable to purchase the freehold of his agricultural holding.

## Minister's Remarks

Bridgetown THE NATION in English 5 May 82 p 12

[Text]

DELISLE BRADSHAW, Barbados' Minister of Housing, has appealed to plantation landlords to give agricultural holdings "free of charge" to their existing tenants.

Bradshaw implied that the tenants have already paid for the land by their labours on plantations through the years, and he told the House of Assembly there were still some people now who could not find the money to purchase the lands.

He was speaking on the Agricultural Holdings (Option to Purchase) Act, 1982, the first measure to be passed in the House of Assembly yesterday following the Easter recess.

Bradshaw announced that a loan committee, headed by retired Civil Servant, Alwyn Howell, and which has been set up under the Freehold Tenancies Act of 1980, has already convened its first meeting, and some \$400 000 have been placed on the Barbados Development Bank for on-lending to qualified tenants.

Bradshaw also sounded a warning to those landlords, who he claimed were refusing to convey lands under the Freehold Tenancies Act, and reminded them that the act made it mandatory that they sell.

The same landlords will be required to convey agricultural holdings, the minister pointed out.

CSO: 3025/301

## BRIEFS

BIGWU CALL FOR PROBE--President of the Barbados Industrial and General Workers' Union Mr Robert (Bobby) Clarke has called on Government to appoint groups of professionals to examine the problems which have led to the current economic and industrial crisis. In a letter to the Prime Minister, Mr Tom Adams, BIGWU's President said that the groups should examine, advise and institute action on the problems free from the constraints of bureaucratic indolence and 'cover-up' or the drag anchor of political expediency. Mr Clarke raised questions relating to the national economy and the worker, the cost of living and wage restraint. He pointed out that the public sector in Barbados was grossly over-staffed and apparently quite secure while lower working-class Barbadians were being regularly dismissed in the private sector, in the name of national recession. "Is it not time for the Government to put its own house in order by even-handed surgery on our obese bureaucracy?" he asked. Mr Clarke said that it was difficult to believe that the country could still afford to support so many traditional, ceremonial and positively nonproductive people in the upper levels of the bureaucratic structure. [Text] [Bridgetown SUNDAY ADVOCATE-NEWS in English 16 May 82 p 15]

CSO: 3025/302

## TEXT OF PROPOSED CONSTITUTIONAL AMENDMENT PUBLISHED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 May 82 p 4

[Text] Brasilia--The president of the republic yesterday sent to congress the constitutional amendment proposal debated in the Political Development Council, which establishes a quorum of two-thirds for approval of modifications to the constitution, sets at 460 deputies the composition of the Chamber of Deputies, beginning in 1986, reestablishes part of the congressmen's prerogatives, institutes a 5-year term for the mayors and councilmen elected in November, and postpones until 1986 the requirements of support for the political parties expressed in votes. The major amendment also modifies the time period in which holders of public office who are candidates for election must divest themselves of their duties, and establishes a mixed district vote, measures which will only be implemented in the 1986 election.

The government's proposal will be read tomorrow or the day after by the national congress, passing ahead of about 30 amendments by congressmen awaiting their turn, because it enjoys constitutional preference, as requested by the president of the republic. It will have a procedural period of 90 days.

Accompanied by an explanatory covering memorandum from Justice Minister Ibrahim Abi-Ackel, the constitutional reform proposed by the government reveals some superficial modifications compared to the text published exclusively by ESTADO DE SAO PAULO last week. The definitive text deals with the criteria for setting state deputies' salaries and does not even refer to raising the percentages of the States and Municipalities Participation Fund. It permits the congress to convene itself; retains the period of 40 days for the procedural handling of government bills whereas the initial bill set it at 45 days; and it establishes a period of 90 days for the procedure in congress of constitutional amendment proposals.

With regard to the number of deputies, the government's major amendment establishes that for the November election, the number of seats will be calculated by the Electoral Court so that no state will have its bloc reduced, which will increase the membership of the Chamber of Deputies to 441. Only, in 1986, when the mixed district vote is introduced, will the chamber have its representation set at 460 deputies.

## The Text of the Bill

Following is the text of the explanatory covering memorandum of the minister of justice and of the constitutional amendment proposal sent to congress yesterday:

"Your excellency, the president of the republic,

"It is my honor to submit to the higher consideration of Your Excellency the attached proposal for amendmend of the constitution.

"The modifications pertaining to municipal autonomy now proposed eliminate the obligation to hold municipal elections simultaneously with and on the same date as the general elections for deputies and senators. The framework of modifications pertaining to municipal elections is completed with the extension of the terms of mayors and councilmen to be elected on 15 November 1982, as advocated in the proposal, in order that the end of municipal terms of office may, henceforth, coincide with the end of the fiscal year.

"In modifying the working of Article 29 in the manner in question, the proposal accepts the principle of the self-convening of the national congress by two-thirds of the Chamber of Deputies and of the Federal Senate.

"The inviolability of the deputies and senators is assured in the exercise of their duties, with reference to opinions, words and votes, excepting only crimes against honor. Therefore, the possibility of a crime against the national security is excluded from the text of Article 32.

"Other specific provisions safeguard the exercise of congressional activity, it being assured immunity as a branch of government. Prohibition of the arrest of deputies and senators is preserved intact, except for a flagrant unbailable crime and the obligation is retained that the legal documentation be submitted within a period of 48 hours so that the respective chamber may decide on the arrest.

"The proposal seeks to exclude from the constitutional text the principle that deputies and senators may not be sued without the prior permission of the respective chamber; meanwhile replacing it with more effective mechanisms for the defense of congressional prerogatives. Under the proposal, the chamber and the senate are invested with discretionary authority to halt the legal action against any of its members, the decision being contingent on the action of the competent presiding officers and the quorum of the absolute majority.

"The proposal also takes care to reserve the legal privileges of the deputies and senators, with the guarantee of being submitted to trial before the federal supreme court for common crimes.

"It is proposed to increase the number of deputies up to the maximum limit of 460 in order to harmonize the demographic growth with the representativeness of the states. Care was taken, however, to insure the irreducibility of the current representation of each state in the Chamber of Deputies, avoiding the reduction of congressional blocs by virtue of occasional demographic variations.

"Though excepting from the application of the rule the 1982 congressional elections, which will proceed under the pure proportional system, the proposal introduces in the text of the constitution the majority and proportional mixed district system for election of the federal deputies; however, the regulation of the system is conditioned on the decision of the national congress through ordinary law.

"It advocates increasing the quorum necessary for approval of constitutional amendment proposals, which is raised to two-thirds of the votes of each of the houses of the legislative branch.

"The modifications sought to be inserted in Articles 51 and 55 seek to make it possible for the legislative branch to better appraise the bills initiated by the president of the republic with regard to which there may be a request for a period of deliberation, the same process being extended to the examination of decrees-laws issued by the president of the republic.

"The time periods for divestiture, provided in Article 151, Paragraph 1, Section C of the current constitution, have been reduced.

"Finally, Article 3 suspends the requirements of voting percentages, provided in Item II, Paragraph 2, of Article 152, with reference to the 15 November 1982 elections, thus seeking to contribute to the consolidation of the multiparty system.

"I avail myself of this opportunity to reiterate to Your Excellency my expression of the deepest regard."

Proposal of Amendment to the Constitution

Modifies provisions of the federal constitution

Under the terms of Article 49 of the federal constitution, the presiding officers of the Chamber of Deputies and of the Federal Senate promulgate the following amendment to the constitutional text.

Article 1. The provisions of the federal constitution hereunder enumerated will go into effect with the following modifications:

Article 15. Municipal autonomy will be insured:

I--By the direct election of mayors, vice mayors and councilmen held simultaneously throughout the country.

Article 29. ...

Paragraph 1. ...

A) By the president of the federal senate in case of the decreeing of a state of siege, a state of emergency or of federal intervention;

B) The president of the republic when the latter deems it necessary; or

C) By two-thirds of the Chamber of Deputies and of the Federal Senate.

Article 32. The deputies and senators are inviolable in the exercise of their office for their opinions, words and votes except in the case of a crime against honor.

Paragraph 1. From the time the official document is issued until the next legislature is inaugurated, the members of the national congress cannot be arrested except for a flagrant unbailable crime.

Paragraph 2. In the case of a flagrant unbailable crime, the legal documentation must be submitted within 48 (forty-eight) hours to the respective chamber so that it may decide on the arrest.

Paragraph 3. In the case of common crimes charged to deputies and senators, the respective chamber, by absolute majority and through the initiative of the presiding officers, may halt the legal action at any time.

Paragraph 4. The deputies and senators will be submitted to trial before the federal supreme court.

Paragraph 6. Incorporation into the armed forces of deputies and senators, regardless of whether they are military men and even in time of war, will depend on the permission of the respective chamber.

Article 39. The Chamber of Deputies is composed of up to 460 (four hundred and sixty) representatives of the people, over 21 years of age and in the exercise of their political rights, elected by the majority and proportional mixed district system in the manner prescribed by law.

Article 48. In any of the cases of the preceding article, the proposal will be discussed and voted at a meeting of the national congress in 2 (two) rounds, being considered approved when it obtains two-thirds of the votes of the members of each of the chambers in both rounds.

Article 51. ...

Paragraph 3. If it is not deliberated within the time periods established in this article and in the preceding paragraph, each bill will be automatically

included in the agenda on an urgent basis in the five subsequent sessions on successive days; if at the end of this period, it has not been deliberated, it will be considered definitely approved.

Paragraph 4. Consideration of the amendments of the Federal Senate by the Chamber of Deputies, in the cases envisaged in this article and in Paragraph 1, will be made within a period of 10 (ten) days; after which time, if there has not been any deliberation, the provision of the preceding article will be applied.

Article 55. ...

Paragraph 1. Once the text is published, which will go into effect immediately, the decree-law will be submitted by the president of the republic to the national congress, which will approve it or reject it within 60 (sixty) days counting from the time of receipt, but cannot amend it. If there is no deliberation within that period, the provisions of Paragraph 3 of Article 51 will be applied.

Article 151. ...

Paragraph 1. ...

C) The ineligibility of the titular or interim incumbent of an office or position the exercise of which may influence in disturbing the normalcy of or casting doubt on the legitimacy of the elections, unless he definitely leaves one or the other within the period prescribed by law, which will not be more than 6 months or less than 2 months prior to the election, except the following for whom it is hereby stipulated:

- 1) Minister of state, governor and mayor: 5 months;
- 2) Secretary of state, when he is a titular congressional incumbent and is a candidate for reelection: 4 months;
- 3) Secretary of state, president, director, superintendent of a direct or indirect public administration agency, including the mixed-economy foundations and corporations: 6 months.

Paragraph 2. ...

Article 209. The terms of mayors, vice mayors and councilmen elected on 15 November 1982 will end on 31 December 1987.

Only paragraph (deleted)



Article 2. In the 15 November 1982 elections, the deputies will be elected exclusively by the proportional system and their number by state will be established by the electoral court, proportionately to the population with the necessary adjustment so that no state will have more than 55 or less than 6 deputies, nor will suffer a reduction in the respective number set for the legislature that began in 1979.

Article 3. The provisions of Item II of Paragraph 2 of Article 152 are not applicable to the 15 November 1982 elections.

8711

CSO: 3001/139

## CACB PRESIDENT SAYS FALKLANDS SHOWS NEED TO SEEK NEW MARKETS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 May 82 p 37

[Text] Rio--The president of the Confederation of Trade Associations of Brazil (CACB), Ruy Barreto, said yesterday that "the best lesson to take from the war in the Falklands is to awaken in the government and the businessmen the need to disperse our trade exchange policy more and more, expanding our ties with all countries." Although he observed that "Brazil has already been practicing that policy," he pointed out that "there are still many markets to conquer," citing next the five countries that he will begin to visit starting today: Japan, Indonesia, Singapore, China and Australia.

During his 30-day visit to those countries, Ruy Barreto hopes to gather information to permit an intensification or even an opening for Brazilian trade in the future. The visit, which had already been scheduled for more than 2 months and is of a "private nature," has assumed "a much greater dimension with the outbreak of the Falklands war," according to him.

"The blockade imposed on Argentina by the United States and the European countries clearly showed that no country can place unreserved trust in so-called traditional partners. In our case, the Brazilian economic policy developed in these last 10 years has given us a little more peace of mind. However, we need to be prepared for everything in the area of international understanding, seeking to reduce our dependence, which will only be possible with the diversification of markets."

Ruy Barreto, the first Brazilian businessman to visit Cuba after the breaking of relations with that country, said that "there is only one comparison between that trip and this one that I will make: to learn on the spot, at first hand, what is going on in each of the countries visited. I believe that anyone who exerts a share of responsibility in the community must act that way, without prejudices. I want to personally check what they are doing and to try to derive the maximum benefit from that knowledge to convey it to the businessmen and to whoever is interested."

In Japan, the president of the CACB will especially study its employment policy. "I want to know why Japan, the country that is most dependent for oil and, consequently, the most vulnerable to the energy crisis, ended up being the one least affected among the developed countries. Together with

the countries of Southeast Asia, today it is a member of the bloc that has increased its exports the most in the last 3 years, with the exception of the suppliers of oil."

Barreto plans to wind up that first contact with the Japanese in September during a meeting between 100 businessmen from Japan and 100 Brazilian businessmen, possibly in Hong Kong.

Australia, the first stop on his trip, appears to him to be the country that has "the best conditions to become the principal ally of Brazil in the economic area in the near future." As a big exporter of raw materials--meat, wool, grains, agricultural products and iron ore--Australia absolutely cannot be neglected."

As for Indonesia, Ruy Barreto, points out "at least one fact that by itself would justify our interest in it: it is the country that has been showing the greatest increase in the volume of exports of coffee, going in recent years from 500,000 sacks to 6 million sacks. Furthermore, it has been practicing a predatory policy in that sector, selling the robust type (Espirito Santo) product for 60 cents, that is, for half of the Brazilian price."

After referring to Singapore as "a country that has a geographic area smaller than that of Rio de Janeiro, but exports as much as Brazil," the president of the CACB revealed that he "hopes to expand the negotiations we already maintain with China," to which we export coffee, and on his return," "to make the Brazilian business community aware of our need to pay more attention to that market."

8711

CSO: 3001/139

## DAILY ON NONPARTICIPATION IN MANEUVERS WITH UNITED STATES

PY080447 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Jun 82 p 2

[Editorial: "Brazil Out of UNITAS"]

[Text] The decision by Brazil and other Latin American countries not to participate in the 23rd UNITAS naval operations is the first visible sign of the damage caused to the strategic solidarity of the Americas by the Malvinas war. In fact any Latin American country should feel embarrassed to take part in exercises of antisubmarine warfare with the United States while Argentina, another traditional participant in these joint maneuvers, is being encircled by Great Britain with military support from the United States.

The Brazilian attitude should not be understood as a protest, but as the simple recognition of the present situation: the invalidation of the concept of continental security in the wake of the U.S. choice of its friendship with Great Britain over that with Argentina.

It is advisable, meanwhile, not to exaggerate the implications of this position. By avoiding a vexing coincidence between a true war being waged in the South Atlantic and a simulated war along the Brazilian coastline, Brazil maintains its adherence to a balanced position that was assumed at the beginning of the Malvinas crisis. This does not mean that we are moving toward a point of worsening relations with the United States. Were this the intention of such a position, it would be the least advisable position to take in the light of a cold appraisal of reality.

Widening the separation between Latin America and the United States would have a consequence that should be avoided: the creation of a strategic vacuum in the South Atlantic that would be filled by an intensified U.S. military presence in the region with the support of Great Britain and--it is easily imaginable--of South Africa. Considering that 10 years ago it had the good sense not to embark on similar triple alliance with Argentina and South Africa, Brazil should above all be interested in maintaining the South Atlantic area as small a military presence as possible.

Therefore, nothing indicates that Brazilian diplomacy should indulge in striking poses of offended Latin American sentiments, although at this moment it should be frankly stated that the United States has dealt, more than an offense to Latin America, a blow to its own role of leadership in the continent.

CSO: 3001/158

## APRIL MARKS 12TH CONSECUTIVE MONTHLY TRADE SURPLUS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 May 82 p 37

[Text] Brasilia--The trade balance marked its 12th consecutive monthly surplus, when it showed a balance of \$22 million for April, raising the favorable balance accumulated during the year to \$176 million. Despite that result, the country continues to sell less than it did in the same period last year. From January to April, exports dropped 7.6 percent, but imports also showed a substantial decline of 15.8 percent compared to the same 4-month period in 1981. In April 1981, the trade balance showed a deficit of \$56 million, accumulating an unfavorable balance of \$476 million for the 4 months. From January to April 1981, exports increased 26 percent and imports, 1.2 percent over the same period in 1980.

The trade balance figures were released yesterday by Minister of Finance Ernane Galveas, who, unlike Planning Minister Delfim Netto, continues to be confident of obtaining a surplus of \$3 billion by the end of the year. Delfim redid his projections, estimating that the balance will not exceed \$2.5 billion due to the restrictions on world trade. "He made his own calculations," declared the minister, "but although international trade is not going favorably for everybody, I believe we will have \$3 billion. Just project the figures that yield \$3 billion, although that is not a guaranteed target. If it does not yield \$3 billion, it may yield even more."

At the beginning of the interview, however, when he handed the figures to the reporters, he said pessimistically: "The balance is balanced more than we wished." However, Galveas doubts that we will obtain \$26 billion from exports if there is not a reversal in the prices of basic products. That means imports will remain at levels lower than last year's, somewhere around \$22 billion, if the target of \$3 billion is to be realized.

From January to April, Brazil exported \$6.53 billion compared with \$7,066,000,000 for the same 4-month period last year. In April, sales amounted to \$1,571,000,000 compared to \$1.88 billion in April 1981. In those same 4 months, the country purchased \$6,354,000,000 worth, while from January to April 1981, it spent \$7,542,000,000 on imports. In April, purchases were

\$1,549,000,000 compared to \$1,936,000,000 in April 1981. In those 4 months, the country spent \$3,123,000,000 on oil, about 12.4 percent less than in the same period in 1981, when those imports amounted to \$3,565,000,000. In April, the decrease was 22.3 percent because oil imports amounted to only \$712 million compared to \$916 million for the same month last year. For the 12-month period, the favorable balance is \$1,845,000,000.

Exports  
(in \$US millions)

	<u>April 1982</u>	<u>April 1981</u>	<u>Difference (%)</u>
Total	1,571	1,880	-16.4
Coffee	180	198	9.1
Others	1,391	1,682	-17.3

	<u>Jan/Apr 1982</u>	<u>Jan/Apr 1981</u>	
Total	6,530	7,066	- 7.6
Coffee	697	706	- 1.3
Others	5,833	6,360	- 8.3

Imports  
(in \$US millions)

	<u>April 1982</u>	<u>April 1981</u>	<u>Difference (%)</u>
Total	1,549	1,936	-20.0
Oil	712	916	-22.3
Others	837	1,020	-17.9

	<u>Jan/Apr 1982</u>	<u>Jan/Apr 1981</u>	
Total	6,354	7,542	-15.8
Oil	3,123	3,565	-12.4
Others	3,231	3,977	-18.8

Sao Paulo: Growth Only 2.67 Percent

The exports of the municipality of Sao Paulo for last April totaled \$346 million, only 2.67 percent above those for March, according to the estimates of the Foreign Trade Department (CACEX) of the Bank of Brazil. Bank sources in Sao Paulo, however, considered that exports will begin to show more appreciable increases beginning this month, with the expectation of higher world prices for basic products (coffee, sugar, cocoa, soybeans, etc.). Another factor for an increase in that area is the failure of the harvests of competing countries.

The government will try to promote a trade balance surplus, added the informants, pointing out in the meantime that one should not expect too much from the 23 suggestions of the Sixth ENAEX which the government approved and will try to implement in the short term because some of them--such as the discussion of freight charges, indemnification for the Merchandise Movement Tax (ICM) imposed on exports ("big fund") and advance payment of the exchange contracts--cannot be adopted as early as expected because they depend on changes in legislation. But the administrative measures should come this year, they pointed out.

The same sources do not believe that the government is advising the exporters to abandon the more uncertain markets.

8711

CSO: 3001/139

## IRANIAN DELEGATION SEEKS TO PROMOTE TRADE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 May 82 p 36

[Text] Iran wants to purchase meats (beef and goat) dairy products, fish, frozen chicken, sugar, soybeans and other Brazilian grains, lumber, paper, cellulose, minerals, nonferrous metals and other products. An Iranian mission comprised of 12 persons and headed by the Iranian vice minister of trade, Mozafar Jarrahi, met in Brasilia yesterday with the secretary general of the Ministry of Agriculture, Ubirajara Timm, and experts from the ministry to discuss trade in the area of agricultural-livestock products.

The Iranian mission was received in Brasilia yesterday by Foreign Ministry officials, being accompanied by the chief of the PETROBRAS International Trade Corporation (INTERBRAS) office in London, Ailton Azeredo da Silveira. The mission will meet in Rio today and tomorrow with representatives of INTERBRAS to deal with the possibility of negotiations with Brazil. On Thursday and Friday, the Iranians will be in Sao Paulo for various contacts, and on Saturday they will leave for Uruguay.

According to Brazilian Government experts who participated in the meeting, Iran's aim is to return its trade relations with Brazil to the same levels as before the Iranian revolution.

Iran is interested in purchasing Brazilian products but it wants to reactivate its oil sales suspended since April 1980, when they amounted to about 80,000 barrels daily. In 1979, Iran exported \$827.2 million worth to Brazil, compared to \$71.6 million worth of imports of Brazilian products.

According to a Brazilian Petroleum Corporation (PETROBRAS) source, although at the moment Brazil does not need to import the Iranian oil, inasmuch as contracts signed with other countries are taking care of Brazilian needs, there is no interest in closing the doors to the Iranian offer. According to Ubirajara Timm, Iran wants Brazil to be its trade partner in the agricultural area. Although it has been unofficially reported that Iran could make purchases in the amount of \$600 million, Ministry of Agriculture experts said that a survey will still have to be made of Brazil's export availability.

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CSO: 3001/139



## CONTRACTS TOTALLING US \$200 MILLION SIGNED WITH IRAN

PY071459 Rio de Janeiro JORNAL DO BRASIL in Portuguese 17 May 82 p 14

[Article by Milton F. da Rocha Filho]

[Excerpts] Sao Paulo--Brazilian private enterprises through the "trading companies IAT" [given in English], INTERBRAS [Petrobras International Trade, Inc] and KSR [expansion unknown] yesterday signed export contracts for \$200 million with Iran, whose trade delegation held meetings for 3 days with national businessmen at the Augusta Boulevard building. The meetings were held in a discreet but efficient manner.

The Iranian delegation was headed by Mozafar Jahrahi, deputy minister of trade, who is responsible for the country's purchases and supply. He is accompanied by his main advisers Abdul Ali Ersani and Morteza Movahedi Zader, manager of the Iranian trade company. The meetings were held at the Augusta Boulevard convention center, on Augusta Street, and the only press media to learn about these negotiations was JORNAL DO BRASIL.

Jaques Eluf and Raul Calfat, presidents of IAT and KSR, respectively, and Airtton Silveira, INTERBRAS representative to London, were the coordinators of the meetings on the Brazilian side.

Yesterday afternoon, with the departure of the Iranian delegation for Argentina, IAT President Jacques Eluf, one of the organizers of the meetings, agreed to comment on the negotiations with the Iranians and stated that contracts were signed for the sale of heavy equipment, paper, soybean oil, meat, special steel, steel sheets and rolled steel, couplers, valves and trucks (Fiat), for a total of \$200 million.

These contracts were signed independently from the purchase of petroleum from Iran and represent an opening for the country to expand its exports. We hope to negotiate for a total of \$500 million with Iran this year and for \$700 million in 1983. The economies of the two countries complement each other, and the negotiations have shown this emphatically. We can sell several things to Iran, and Iran, in turn, can sell us some chemical products not yet produced here, Jaques Eluf, IAT president, stated in conclusion.

CSO: 3001/158

## UK LOAN FOR REARMAMENT RECEIVED

PY042024 Paris AFP in Spanish 1434 GMT 4 Jun 82

[Text] Rio de Janeiro, 4 Jun (AFP)--The British Government has granted Brazil a loan in the amount of \$300 million to finance the rearmament of the Brazilian fleet, Adm Raphael de Azevedo Branco reported here today.

Admiral Azevedo, in statements made to newsmen, added that the contract for such loan was signed yesterday in London, and he pointed out that the Argentine-British conflict for the Malvinas has shown that the investments in warlike materiel are required for national security.

In reply to a question about such conflict, he said: "We are neutral, but despite this we are going to use British technology and materiel." He added that two modern frigates were recently built at the naval dockyard in Rio de Janeiro with British materiel and technical support.

After stating that he feared that after the Malvinas conflict the issue of rearmament of the Brazilian armed forces would be forgotten, he said that the resources destined to the rearmament plant of the Brazilian navy had been reduced from \$1 billion to \$600 million.

The Malvinas conflict started an extensive debate within the Brazilian armed forces. Brazil is probably one of the Latin American countries with less percentage of military expenditures in the national budget. The armed forces are convinced that the country needs quick rearmament.

CSO: 3001/158

## POLL OF YOUTH REFLECTS POLITICAL CREDIBILITY GAP

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 May 82 p 20

[Text] Political leaders in Rio yesterday expressed perplexity over the poll published Sunday by the ESTADO DE SAO PAULO, beginning the series, "The Abandoned Generation," the second part of which is on the following page, revealing that only 28 percent of the youth trust the government and only 10 percent consider the congressmen honest. In the opinion of the state gubernatorial candidate for the Workers Party (PT), Lizaneas Maciel, that "is the result of 18 years of authoritarianism in which a planned process of depersonalization of the Brazilian youth is the principal cause of the indifference of the youth toward the essential issues of the country."

Lizaneas stressed that "all over the world, whenever some crisis in the system arises, it is asked what role the youth should play in the political process because it is a part of that process. In Brazil, during these 18 years, the youth was stifled and the student class was sidelined from the Brazilian process, having as its only outlet insensibility, indifference and unbelief in relation to the country's problems and politicians." Even so, the PT candidate believes that the youth can still believe in the system "and it is time to assume an attitude capable of overcoming that alienation, bringing Brazilian youth to participate fully in the political and cultural process of the country, integrating it in the system with all of its strength and all of its will."

In the opinion of the Social Democratic Party (PDS) attorney, Luis Bras, "the figures revealed by the poll unfortunately show that there has been an absence of participation in the political process by the youth leaders and that must be charged to the lack of a policy on the part of the different political groups to motivate the participation of that large segment of the population in the Brazilian political process."

The vice president of the Democratic Workers Party (PDT), Boyard Boiteaux, said that the youth does not believe in the Brazilian politicians because "after the 1964 coup, the Brazilian people and especially their youth saw themselves condemned by the military, who had taken over the country, arresting thousands of people, banishing hundreds of others, torturing and

killing anyone who dared to disrupt their plans. It is obvious that the youth born and brought up in a regime of that type could only say that Brazilian politicians are corrupt and useless. However, I believe that the time has come for the youth to seek to take their place of effective political participation in Brazilian society so that they can build a better Brazil for their children."

The secretary general of the PDS of Rio Grande do Sul, Deputy Rubens Ardenghi, pointed out in Porto Alegre that this is a time of crisis and the opinions of youth are related to the poor outlook in the job market. "I consider that poll quite valuable because it shows the distress and anxiety of the youth, in that unbelief in politics," he declared, indicating the need for an immediate recycling of the politicians, especially as regards narrowing the gap that exists between them and the youth.

Deputy Jose Fogaca of the Brazilian Democratic Movement Party (PMDB) considers the revelation of the poll among the national youth to be symptomatic. "It is the very fitting expression of the regime that has been in power for 18 years, which went about discrediting the political power without reestablishing it. It is an attitude typical of military dictatorships that go about characterizing politicians as corrupt," declared Jose Fogaca. In the opinion of the Rio Grande do Sul deputy, in the last two decades, through the action of the regime itself the youth became disenchanted with politics, becoming almost illiterate on the subject, although they maintain a feeling of opposition.

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CSO: 3001/139

## BRIEFS

ELECTORATE EXCEEDS 51 MILLION--Brazil already has more than 51 million voters and will reach 55 million by 6 August, when the registration period valid for the 15 November 1982 election ends. According to the experience of the Superior Electoral Court (TSE), the electorate increases greatly in election years. This year the increase will be even greater because of the simultaneous holding of all elections, from the municipal to the federal level. The number of voters eligible to vote, however, does not exceed 51 million because from the total registered up to yesterday by the TSE, must be excluded the groups from the Federal District (418,163) and Fernando de Noronha (473), ineligible to vote in November. Those voters can only vote for president of the republic in direct elections, which has not happened since 3 October 1960, when Janio Quadros was elected. [Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Apr 82 p 5] 8711

UK BLOCKADE--Brasilia (O GLOBO)--Transport Minister Cloraldino Severo has reported that the blockade on the river plate has not affected the traffic of Brazilian ships. He remarked that "no special measure has thus far been taken." Meanwhile, Brazilian ships were instructed to avoid the area of the conflict between Argentina and Great Britain. The statement by the minister was similar to the one issued by the advisory department of the navy concerning the Uruguayan protest on the British government's intention to extend the blockade to the river plate. Minister Severo said: We will study the case with a view to the safety of Brazilian ships. The navigation problem is being studied by the transport, navy and foreign ministries. It was reported at ITAMARATY that Foreign Minister Saraiva Guerreiro has not yet received official confirmation of the extension of the British blockade along the Argentine coast. A source has admitted that, in principle, that measure "hurts everybody." [Text] [PY072235 Rio de Janeiro O GLOBO in Portuguese 25 May 82 p 18]

CSO: 3001/158

## ENORMOUS INCREASE IN CONTRABAND TEXTILES OVER 4 YEARS

Bogota EL TIEMPO in Spanish 14 May 82 pp 1-A, 3-B

[Article by Juan Jose Hoyos]

[Text] Medellin, 13 May--The president of Fabricato, Diego Aristizabal Mejia, has revealed that contraband textile has increased 562 percent over the past 4 years and it has taken nearly 13,000 direct jobs from Colombia in 1981 alone.

Aristizabal said it is alarming to see that national consumption of contraband textiles has risen from 24.2 million square meters in 1977 to 136 million in 1981, thereby decreasing the participation of national textile firms in the market last year to only 76.7 percent.

The president of Fabricato disclosed the dramatic figures during the general stockholders meeting in Medellin. At the meeting, the financial group led by industrialist Felix Correa assumed absolute control of the company and the group's representatives swept all seven positions in the new board of directors, having certified possession of 54 percent of the stock.

Aristizabal asserted that the contraband not only has covered the increase in national textile consumption, estimated at 108 million square meters over the past 4 years, but also has caused decreased participation of the national industry.

Consumption of foreign textiles, legally or illegally imported, rose over the same period from 28 million square meters to 157.5 million in 1981.

To aggravate the situation, according to Aristizabal, legal imports alone--estimated for 1981 at 21.5 million square meters--would be enough to generate 2,000 direct jobs if the textiles were produced by Colombian industry.

The industrialist further estimated that importations of clothing through travelers abroad amount to nearly \$500 million.

The Fabricato president said in his report, however, that "our textile industry can recover its position."

"It is only necessary to implement, over a certain period of time specific measures that have been carefully and shrewdly studied by the administration and which already are being put into practice," he said, after asking the stockholders to accept a proposal that this year's dividend be paid in stock and not in cash.

Aristizabal blamed the domestic crisis on the opening of national markets to contraband and to imports while discouraging exports, to the methods used to fight inflation and to the excessive rise of financing costs.

As an example of what has happened in the textile sector, Aristizabal showed figures indicating that while national textile consumption has increased by more than 100 million square meters over the past 5 years, participation of the national textile industry has dropped from 91.5 percent to 76.7 percent.

According to the president of Fabricato, our country's labor and benefits system also helped to increase the difference between the prices of our products and those of other countries having better technology and lower labor costs. It also contributed to the loss of comparative advantages.

Meanwhile, raw materials have risen at an annual rate of more than 26 percent over the past 3 years.

To counteract this situation, the industrialist said it was necessary to undertake an unavoidable and accelerated renovation of machinery and production methods to make textile companies more efficient.

Following these guidelines, Fabricato invested more than 2.152 billion pesos between 1977 and 1971 [as published, presumably 1981].

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CSO: 3010/1596

## U.S. SEEN AS ABANDONING LATIN AMERICA

Bogota EL ESPECTADOR in Spanish 14 May 82 p 3-A

[Editorial by Alfredo Vazquez Carrizosa: "Lessons of the War"]

[Text] Experiences gained since 2 April, the date of the Malvinas' invasion by an Argentine military force, generate inevitable concerns over the political aspect and technology of conventional weapons, which are different from the atomic and neutron bombs, the two weapons that would lead us to Armageddon if they were launched somewhere in the world.

1. Lack of Foresight of Intelligence Services

The Malvinas war broke out without Great Britain's intelligence services being aware of the Argentines' preparations for a "lighting war." The resignation of British Foreign Secretary Lord Carrington was the clear confession that Mrs Thatcher's government had been taken by surprise. It is logical to presume that U.S. intelligence services were in the same situation; otherwise, Great Britain would have been alerted.

This case is similar to that of Pearl Harbor in 1941 when Japan, amid diplomatic negotiations, bombed the U.S. fleet anchored in Hawaii. Argentina and Great Britain had been negotiating until early March of this year and General Galtieri's military operation already must have been in the final planning stage. It is a lesson for all countries that the Pearl Harbor strategy can be repeated.

2. The Vulnerability of Surface Naval Units

The sinking of the British navy destroyer "Sheffield," built with the best naval engineering technology, poses another question for all nations of the world about the vulnerability of surface combat units. What will be the fate of the oldest and less protected vessels of Latin American, Asian and African countries?

The "Sheffield" was hit by a French-built "Exocet" missile, built by the Aerospace Company of Paris. The missile is guided by radar and streaks at speed above the water, escaping being detected by enemy radar. The two super-powers, the United States and Soviet Union, have a defense against such missiles but even Great Britain was not prepared to face such a risk.



In the era of missiles, warships will be the preferred target of the so-called pushbutton war, the firings at enormous distances from where the ships are located. For Latin America and countries like Colombia, it is simply a terrible dilemma to know that surface units can be sunk at any time or to enter the arms race with the acquisition of highly expensive missiles.

### 3. The U.S. Abandons Latin America

A fundamental fact which must be expanded upon is the abandonment of Latin America by the United States in the current Malvinas crisis. The North Atlantic alliance with Canada and Great Britain, within NATO commitments, carries much more weight. The Inter-American system has played no role in this emergency, contrary to what was thought at the 1946 San Francisco Conference, for strengthening collective security through regional pacts. The exalted continental solidarity is turning out to be a myth.

### 4. The Ineffectiveness of Juridical Peace Mechanisms

One should not be deceived about the fragility of juridical mechanisms for peace. There is now an indefinite war between Iran and Iraq about which the United Nations has been unable to do anything. The Malvinas war between two members of the world organization could break out at any moment, unless the miracle of a ceasefire with an agreed upon truce takes place.

In any case and despite the fact that the Security Council approved Resolution 502 on 3 April, or in the initial days of the crisis, the principal organization for the maintenance of peace has lacked the means or the will to utilize its power under Chapter VII of the UN Charter to Force Argentina to withdraw from the territory occupied by armed force. The occupation has lasted a month and, therefore, it has set a precedent: that the call of the United Nations, not to mention the regional system, is of little use to reestablish normality in an occupied territory.

### 5. Colombia Should Revive Its Bilateral Peace Treaties

What is Colombia's situation in the immediate future? The purchase of sophisticated weapons would incite Venezuela into increasing in quantities and qualities much superior to ours the armaments it already has. The eventual recourse to the Inter-American Reciprocal Assistance Treaty was, for the most part, voided by Colombia when it abstained from voting for convocation of the consultation organ, composed of the foreign ministers. The uncertain course of events at the United Nations is already known.

There is no immediate alternative for Colombia other than reaffirmation of bilateral treaties so as to settle differences with other countries. Unfortunately, the Turbay administration has forgotten completely the best of the bilateral treaties we have, the one signed with Venezuela in 1939 on nonaggression, conciliation, mediation, arbitration and judicial recourse to the International Court of Justice. This treaty has been left in the attic of Narino Palace. Not a word is said about it in official statements.

Colombia has forgotten its tradition of being defender of arbitration and the judicial recourse we used with Peru to resolve an annoying dispute over the asylum of Victor Raul Haya de la Torre. We also have a dormant conflict with Venezuela which could have a bitter awakening.

ROA SCORES U.S., U.K. AT SECURITY COUNCIL

PA260434 Havana International Service in Spanish 2310 GMT 25 May 82

["Our America" commentary]

[Excerpt] While war operations in the Malvinas are intensifying following the landing of the British forces, debate on that situation continues in the Security Council, with no agreement in sight that would indicate the possibility of a ceasefire.

After 5 days of intensive debate at the UN Security Council, only two things are very clear: On the one hand, the arrogance of Great Britain and the United States, its major ally in the act of aggression against Argentina, and on the other, the majority of the members' repudiation of the aggressive British policy and the support for that policy being given by the U.S. imperialists.

Most of the delegates who have spoken during the debates have vigorously condemned the British act of aggression against Argentina as well as U.S. support for the power that is the aggressor against that American country.

Raul Roa Kouri, permanent Cuban representative at the United Nations, vigorously condemned the British aggression, demanded firm Latin American solidarity with Argentina and demanded that the Security Council adopt the necessary measures to end the conflict through a negotiated solution that will respect Argentina's sovereign rights.

The Cuban ambassador accused the British Government of seeking to retain, forcibly and with the shameless support of U.S. imperialism, that which does not belong to it by law. Raul Roa Kouri pointed up the hypocrisy of the so-called inter-American system, which was established by the United States to serve its interests. He noted that the system has broken down as a result of the support that the Washington Government is lending Great Britain in its flagrant act of aggression against a Latin American country. In this manner, he said in conclusion, it has again been demonstrated that the United States is the historical enemy of the peoples of our America.

CSO: 3010/1655

## RISQUET ADDRESSES AFRICAN UNITY DAY CEREMONY

FL251500 Havana Domestic Service in Spanish 1045 GMT 25 May 82

[Text] Politburo member Jorge Risquet has reiterated the Cuban people's firm decision to continue supporting their African brothers in their struggle for a lasting independence and against imperialism, colonialism, neocolonialism and racism. Risquet was the keynote speaker in the international African unity day ceremony, held last night at Far's Universal Hall.

[Begin Risquet recording] The U.S. Government and its South African racist associates have shamelessly tried to tie the Namibian solution to the withdrawal of Cuban troops from Angola. The sovereign governments of Cuba and Angola have clearly stated their positions on this issue in the historical 4 February 82 Luanda declaration. The Cuban troops are in Angola at the request of the People's Republic of Angola's legitimate government. They went there to help Angola which had been invaded by the South Africans. They remain there because Angola is a victim of constant racist aggressions and because its independence and territorial integrity are threatened.

The presence or withdrawal of the Cuban contingent is a bilateral affair which can only be decided by the sovereign governments of Cuba and Angola and has nothing to do with the Namibian issue. And so, U.S. imperialists should not harbour any hope that their pressures and threats will succeed.  
[End recording]

Jorge Risquet praised the close friendship ties between our people and our African brothers and said:

[Begin Risquet recording] On this day of African unity, we want to reaffirm our solidarity and support for those struggling for African independence, liberty and progress.

He also emphasized the link between the struggles of the African and Latin American peoples against imperialism, colonialism, neocolonialism, racism and other forms of exploitation.

[Begin Risquet recording] Today, while the fight against neocolonialist exploitation rages on throughout the world, the decadent imperialists

stubbornly try to reimpose the colonial past form which the South American countries freed themselves 150 years ago. The fraternal country of Argentina is at this very moment experiencing the most shameful aggression at the hands of British imperialists with the support of its dirty Yankee associates. In the Malvinas, as Fidel pointed out in his message to the heads of state of the nonaligned countries, they are trying to use a colonialist war as a lesson for all the countries of the Third World which are defending their sovereignty and territorial integrity.

Therefore, on African unity day, expressing our hatred and our firm position against colonialism and neocolonialism, we declare that we stand with the Argentine people in their struggle for sovereignty over the Malvinas and against the British attack on this fraternal South African country.  
[Applause] [End recording]

CSO: 3010/1655

## BRIEFS

DELEGATION TO ANGOLA--Luanda--A Cuban delegation made up of representatives from the Ministry of Education, the National Science and Education Workers Union, the Union of Young Communists and the FEEM [Federation of Intermediate Level Students], have begun a working visit to Angola. [Text] [FL211201 Havana Domestic Television Service in Spanish 1233 GMT 20 May 82 FL]

CASTRO-UNCTAD LEADERS MEETING--Commander in Chief Fidel Castro, president of the Councils of State and Ministers, held a meeting with Gamani Corea, secretary general of UNCTAD, who was accompanied by (Reinaldo Figueredo), one of UNCTAD's directors. Also present at the meeting were Foreign Minister Isidoro Malmierca, Foreign Trade Minister Ricardo Cabrizas and Luis Sola, Cuban ambassador to the UN European offices, among others. Gamani Corea reported on the status of the preliminary work and the topics on the agenda for the sixth UN conference on trade and development. In the meeting they also reviewed the difficult international economic situation, particularly that of developing countries and the role which UNCTAD can play in this area and Cuba pledged its support to the organization. [Text] [FL221345 Havana Domestic Service in Spanish 1002 GMT 22 May 82]

'PRELA' CORRESPONDENT IN CZECHOSLOVAKIA--Francisco (Forteza), economics editor of PRESNA LATINA has been appointed correspondent for this agency in Czechoslovakia where he will reportedly be stationed for 2 or 3 years. [FL241310 Havana Domestic Television Service in Spanish 1225 GMT 24 May 82 FL]

AGREEMENT WITH BULGARIA--A cooperation agreement between the foreign ministries of Cuba and the Bulgarian People's Republic was signed today in Havana. The agreement seeks the common objective of developing a more active and thorough cooperation in relations between the two countries in line with the interests of the socialist community. The agreement covers the 1982-85 period and provides for a periodic exchange of information about their activities through the embassies in Sofia and Havana. It also provides for the regular exchange of views and information and cooperation concerning international and regional issues which are of basic and common interest. The agreement is effective from today to 31 December 1985. [Text] [FL261944 Havana Domestic Service in Spanish 1934 GMT 26 May 82]

NEW GREEK, MAURITANIAN ENVOYS--Carlos Rafael Rodriguez, vice president of the Council of State, today received (Konstandinos Vais), who presented his credentials as the new Greek ambassador to Cuba. Rodriguez also received (Mohamed Said Ould Hamodi) this morning. He presented his credentials as the new ambassador from Mauritania. Foreign Minister Isidoro Malmierca was present on both occasions. [FL270049 Havana Domestic Television Service in Spanish 0000 GMT 27 May 82 FL]

CSO: 3010/1655

## CHARLES RAPS DONORS FOR FAILING TO HELP BANANA INDUSTRY

Bridgetown SUNDAY ADVOCATE-NEWS in English 16 May 82 p 3

[Text]

Castries St. Lucia-Saturday (CANA) — DOMINICA Prime Minister Eugenia Charles has taken aid donors to task for what she says is their reluctance to provide refinancing assistance for the Windward Islands' chief foreign exchange earning industry — bananas.

The industry in the four islands, Dominica, Grenada, St. Vincent and St. Lucia — has been battered in the last few years by disease and natural disasters, including two hurricanes in the space of a year.

Miss Charles told a Board of Governors meeting of the Caribbean Development Bank (CDB) here that she was dismayed at the poor response of donors, including financial institutions, to requests for help with so vital a sector of the regional economy.

"It is equally important, if not more so, to prevent the collapse of a vital sector of an economy as it is to create new development," she declared.

The Caribbean's only woman Prime Minister added: "The reluctance of aid donors and financial institutions to provide refinancing for a vital en-

terprise over-burdened with commercial debt is beyond understanding."

The Dominica leader said in the case of her country, the banana industry contributed to 60 per cent of total export earnings.

"It must be seen as a development effort that the collapse of such an important industry must be prevented by providing concessionary finance to replace restrictive and costly commercial debts," she argued.

Miss Charles said she hoped that in reviewing the CDB's financing structure and the policies attached, attention would be given to the question of refinancing where this was essential for the survival of "an existing and vitally important enterprise."

Miss Charles also called on the CDB to depart from the "staid and conventional bankers' approach to the more dynamic innovation of development institution, involved in the challenge of small developing island economies facing the formidable pressure of international trade and money markets."

## PROGRESS IN SISTER ISLAND OF CARRIACOU DESCRIBED

St Georges THE NEW JEWEL in English 9 Apr 82 p 8

[Text] Three years ago Carriacou was a forgotten island. Roads were deplorable, there were potholes even on the airport, agriculture was rundown and the population were frustrated.

Came the March 13 Revolution and things began to look brighter. The Airport's runway was resurfaced and serious work began on the roads among other things. Significant steps ahead were made. Material benefits were coming yet something was lacking.

Last year, on March 31, the People's Revolutionary Government set up the Carriacou Political Committee. In just one year of operations the committee has been able to channel the enormous support which the revolution enjoys in the sister isles of Carriacou and Petit Martinique into organized structures.

Now the participation of the people there in the development of their country, the programmes and projects of the revolution have speeded up tremendously. The people of Carriacou have come forward and shown that together with the efforts of the PRG and the Political Committee greater strides are possible.

On the first anniversary of the inception of the Political Committee Secretary for Carriacou and Petit Martinique Affairs, Brother George Prime, outlined some of the most outstanding achievements scored by the people of these two islands.

Although improvements in Carriacou and Petit Martinique have to be seen as part and parcel of the overall progress of the revolution, still the advances there are really astounding. Certainly topping the list is the number of people in the mass organisations. As Brother Prime said, around this time last year there were no NWO groups. Now there are 460 sisters in National Women's Organisation. Party Support Groups exist in every village. There are 365 pioneers and 200 members of the National Youth Organisation. In addition to that the islands are divided into six zones, each of which have already held two council meetings. It is estimated that by the end of the year 66 zonal meetings will be held.

As a result of the establishment and growth of these popular organs of democracy, the involvement of the people in community work has also grown.



The Carriacou Political Committee, said that they operate as an umbrella for all the work in the islands and they also coordinate and monitor the numerous projects on stream. This has resulted in smoother progress of work and a quicker pace.

Two medical clinics are scheduled to be opened this month, one in Windward, Carriacou and the other in Petit Martinique. A new branch of the National Commercial Bank is also nearing completion and Brother Prime said, that this will surely aid poor people since loans will be available, especially to benefit fishermen.

There are plans to set up a school similar to the Mirabeau Farm school on some 95 acres of state lands at Dumfries in Carriacou. With the establishment of the Political Committee, Brother Prime expressed confidence that sour points with the people there, like the Hillsborough jetty and the terrible telephone system will soon be put in order.

So the sisters and brothers in our sister islands are reaping the benefits of people's power. They already enjoy free secondary education, have a resident dentist and two doctors. Seven of their youth are studying in Cuba and taxi drivers have started travelling in roads that they refused to up until recently. Carriacou is also the place where the National Transport Service was started and it continues to go on well.

CSO: 3025/299

STRACHAN ADDRESSES UNION CONGRESS ON TOPIC OF DEMOCRACY

St Georges THE NEW JEWEL in English 9 Apr 82 p 7

[Text] The Trade Union movement in Grenada has been called upon to become more involved in the economic development of Grenada.

The call was made last Sunday by Minister of National Mobilisation Brother Selwyn Strachan as he addressed the Second Congress of the Bank and General Workers Union at the National Convention Centre.

The Minister said that over the last three years successful efforts have been made to democratise the communities and the villages. He pointed out that at this time it was very important to expand this democracy to the workplaces and all economic enterprises.

In order to achieve this new form of democracy regular and consistent branch meetings of the union must be held every month and regular staff meetings where employees, and management will discuss the operations of the enterprise.

Brother Strachan also called for the establishment of Production Committees, Emulation Committees, and Grievance Committees. He said that workers must also ensure that they have representation on all boards of directors.

President General of the Bank and General Workers Union Brother Vincent Noel in his report on the activities of the union over the last year outlined a number of new tasks for the union for the upcoming year.

These he said are the democratisation of the union, the involvement of the union in the drawing up of production targets, raising the levels of production and the development of the patriotic and international consciousness.

CSO: 3025/299

## REVIEW OF 1982 BUDGET; EMPHASIS ON CAPITAL PROJECTS

St Georges THE NEW JEWEL in English 26 Mar 82 pp 3, 6

[Text] Over half of Grenada's 1982 budget is to go towards capital projects aimed at expanding the nation's economy and improving the quality of life of the people. The \$134 million capital budget, will be used to "plant more corn so that fruits can be reaped in the months and years ahead," is the way Deputy Prime Minister and Minister of Finance, Brother Bernard Coard put it.

The economy will expand by three percent on top of the ten percent growth already attained since the revolution in 1979. As a result of the expansion and the numerous projects to be started some 1,200 new jobs will be created.

Taxes have been imposed on luxury items and other goods to ensure that Grenadians eat and buy more local products. Incentives have also been provided for the private sector to influence their increased participation in investment.

An additional 3,800 telephone lines will be installed with new exchanges to be built in Morne Rouge, Carriacou and St David's with expansion in St George's. The new system which will have direct dialling will cost \$10 million EC, a significant portion of which will be given as credit from the German Democratic Republic.

GRENLEC, the Grenada Electricity Company, will spend \$1.5 million to purchase new generating engines and improve supply. Finance also announced that in the coming weeks electricity facilities will be opened in Petit Martinique while Carriacou will soon have better services as more villages will get electricity.

By the middle of this year the Eastern Main Road Project will have advanced from St. George's to La Tante in St. David's with a total of \$2.2 million to be spent this year. Some twelve miles of feeder roads will also be completed this year.

Work on the construction of the terminal building at the International Airport site at Point Salines will begin next month. Bro. Coard said Grenada must now help itself to complete this vital project since some sixteen countries have already given much needed assistance. To this end, he announced tax measures of 2 per cent on all imports to go towards the airport work. All Insurance companies operating in the country will buy airport bonds equal to 10 per cent of their total premium income, he disclosed.

The Ministry of Housing will spend \$8.2 million for the construction of houses, the Central Water Commission \$2.8 and the Grenada Resorts Corporation, half a million mainly for expansion, getting ready for the completion of the airport next year.

Six hundred and fifty thousands dollars will be raised through the imposition of taxes on certain items. These taxes are either on products which can be produced in the country or those which can be obtained from a CARICOM country, but come from outside the region. Included are goods like aerated beverages, used tyres, cosmetics, speakers and amplifiers, airconditioners and gold and silver.

Banks will make a deposit of 10 per cent to the treasury at a rate to be determined by the Ministry of Finance following consultations with them. These funds will be used for further capital projects.

Company tax will be increased by 5 per cent to 55 per cent but business places engaging in expansion directly related to production, like the establishment of factories or hotels will get a 15 per cent rebate. Those entering into new areas not directly related to production will get a 10 per cent rebate.

Grenada's first ever budget and national plan resulted from an extensive two month period of discussions throughout the country which enabled the people to make criticisms, comments and constructive suggestions on the running of the economy. Twenty-five zonal and parish councils were held and according to the Cde. Leader, Maurice Bishop, the exercise showed the deep unity of the people, their growing consciousness and burning desire to correct shortcomings and solve the numerous problems existing.

Outstanding was the contribution of the technicians and other experts in aiding the people to grapple with previously taboo economic terms like social wage, gross national products, gross domestic products and so on.

CSO: 3025/299

## DETAILS OF MINISTRY CHANGES, CUTBACKS ANNOUNCED

Georgetown SUNDAY CHRONICLE in English 2 May 82 pp 1, 7

[Text] The Office of the President has announced that, with effect from yesterday, a number of changes has been made by the Cde. President with a view to streamlining the Ministerial System and adjusting it to the requirements of dealing effectively with current circumstances. Subjects within the system have been regrouped and responsibilities reassigned.

The reorganisation has resulted in a reduction on the previous number of Ministries and Ministers.

The new position is as follows:

Ministry of Defence and National Security: Cde. President.

Ministry of Public Corporations, Internal Trade and Consumer Protection: Cde. President, with Cde. F.E. Hope (Senior Minister) in respect of Public Corporations, and Cde. F.E. Hope (Senior Minister) with Cde. M. Corrica (Minister of State) in respect of Internal Trade and Consumer Protection.

(Cde. H. Rashid is Minister, Office of the President).

Ministry of Public Service and Information: Cde. P.A. Reid, O.E., Prime Minister, with Cde. Y. Harewood-Benn (Minister).

Ministry of Works, Transport and Housing: Cde. S.S. Naraine, A.A., (Vice-President) with Cde. Agnes Bend-Kirton-Holder (Parliamentary Secretary).

Ministry of Economic Planning and Finance: Cde. H.D. Hoyte, S.C., (Vice-President) with Cde. Sallahuddin (Minister).

Minister of Agriculture: Cde. H. Green (Vice-President) with Cde. Jean Maitland-Singh (Minister).

Party and State Matters: Cde. B. Ramsaroop (Vice-President), who has also been appointed to head the Civil Defence Commission.

Ministry of Energy and Mines: Cde. H.O. Jack, (Senior Minister).

Ministry of Justice: Cde. M. Shahabudeen, O.R., S.C., (Senior Minister and Attorney General).

Ministry of Foreign Affairs: Cde. R.E. Jackson (Senior Minister), with Cde B. Bhaggan (Parliamentary Secretary).

Ministry of National and Regional Development: Cde R.O. Corbin (Senior Minister), who has also been appointed to head the Emergency Commission.

Ministry of Home Affairs: Cde. J.R. Thomas (Senior Minister).

Minister of Education, Social Development and Culture: Cde. R. Chandisingh (Senior Minister), with Cde. R. Fredericks (Minister of State for Youth and Sports) and Cde D. Ainsworth (Parliamentary Secretary).

Ministry of Cooperatives: Cde Urmia Johnson (Minister).

Ministry of Health, Environment and Water Supply: Cde R. Van West Charles (Minister).

Ministry of Labour, Manufacturing and Industrial Development: Cde. Kenneth Denny (Minister).

Cdes. J. Tyndall, A.A., O.E. Clarke, S. Prashad, R. Williams and C. Wright have been relieved of their Ministerial Responsibilities.

Cde Tyndall will be nominated for a post abroad.

Cde. S.A. Moore, at his request, has been allowed to relinquish his ministerial responsibilities in order that he may resume his teaching assignment at the University of Guyana, and to pursue further research.

Cde. Clarke, Cde Prashad, and Cde Wright have been given the following assignments, respectively.

Chairman of Guyana Rice Board;

Consultant to Guyana Transport Services Ltd., and

Vice Chairman of the Construction Group of Companies.

Cde. R. Williams has assumed the post of Executive Chairman of Guyana Fisheries Limited.

These measures flow out of the address by the Cde. President to Parliament on January 22, 1982, and his Address to the Nation on February 22, 1982, and have been instituted in support of the current Programme of National Recovery.

CSO: 3025/303

## CABINET CONSIDERS MEDIA COMMITTEE REPORT, TAKES ACTION

Georgetown GUYANA CHRONICLE in English 20 May 82 pp 1, 12

[Text] The need for in-house and institutional training for journalists and the need for certain specified qualifications for entry into the media are amongst recommendations, aimed at improving local media operations, agreed to in principle by Cabinet.

Cabinet has also agreed in principle that the salaries of journalists should be more attractive than those prevailing in the traditional civil service.

A proposal for the merging of the Guyana National Newspapers Limited (GNNL) and the Guyana Broadcasting Corporation (GBC) to form the "Guyana Media Enterprises Limited" has, however, been rejected.

Cabinet also agreed in principle, that attention should be given to the recruiting and training of correspondents in specialised areas such as politics and economics.

It was also agreed that the management of the several media agencies take steps to improve working conditions at their premises.

The Committee's recommendations are included in an 111-page report submitted by a seven-member media committee earlier this year to Minister in the Office of the Prime Minister, Cde. Yvonne Harewood-Benn.

The media committee's recommendations covered areas such as criteria for recruitment of media workers, job classification, pay, leave allowances and training. Headed by Malcolm Johnson, head of the Central Recruitment and Manpower Agency (CRMA), the media committee was appointed by Cabinet in 1980 to examine certain problems facing journalists and other media and information personnel and to recommend changes aimed at upgrading the functioning of the local media. (GNA)

CSO: 3025/304

## SEVERAL GOVERNMENT MINISTRIES RELOCATED IN WAKE OF SHAKE-UP

## Moves to New Quarters

Georgetown GUYANA CHRONICLE in English 19 May 82 p 16

[Text] Several government ministries have been relocated as a result of the recent ministerial changes announced by President Forbes Burnham.

One of the main changes is that of the removal of the Ministry of Economic Planning and Finance from the building at Brickdam and Avenue of the Republic to the four-storey building on Home Stretch Avenue which until recently housed the ministries of Labour and Housing.

Reliable sources explained that it was thought that Vice President Hoyte should be housed in premises becoming of his status in the government. The building at Brickdam and Avenue of the Republic was found to be unsuitable.

Vice President, Hamilton Green the new Minister of Agriculture, whose offices were housed in the Home Stretch Avenue building until recently has moved to the Ministry of Agriculture building on Vlissengen Road, adjacent to the Office of the President.

The Ministry of Labour, headed by Minister of Labour, Manufacturing and Industrial Development, Kenneth Denny will remain housed in a section of the Home Stretch Avenue building. However, the Housing Ministry will now be housed in the Brickdam and Avenue of the Republic building vacated by Vice President, Hoyte and his staff. Parliamentary Secretary in the Ministry of Housing, Agnes Bend-Kirton-Holder will operate from this building.

Cde. Jean Maitland Singh, now the Minister in the Ministry of Agriculture will operate from the building on Brickdam which until recently housed the Ministry of Fisheries. The Fisheries Department of the ministry will continue to be housed in the same building.

Minister of Education, Social Development and Culture will operate from two offices, the familiar Education Ministry building at 21, Brickdam and the Ministry of Higher Education building on Brickdam--opposite the 21, Brickdam building. This ministry will have two permanent secretaries.

Meanwhile, consideration is being given to relocating the office of the Minister of National and Regional Development, Robert Corbin.



According to reliable reports consideration is being given to the utilisation of the building adjacent to the Ministry of Regional Development Water Street-- by the Coop Bank to house the Ministry of National and Regional Development. Putting this plan into effect would mean relocating staff of the National Insurance Scheme.

#### Correct Designations

Georgetown GUYANA CHRONICLE in English 19 May 82 p 16

[Text] The Media Relations Unit yesterday released the correct style and description by which the following Ministers should be known:

Comrade K.W.E. Denny--Minister of Labour, Manufacturing and Industrial Development.

Comrade S.S. Narine A.A., M.P.,--Vice-President, Works, Transport and Housing.

Comrade D. Ramsaroop--Vice President, Party and State Matters.

Comrade R.H.O. Corbin--Minister of National and Regional Development.

Comrade Jean Maitland Singh--Minister, Ministry of Agriculture.

Comrade Hamilton Green M.P.--Vice-President--Agriculture.

CSO: 3025/304

## MINISTER PRAISES GDR FOR RESPONSES TO GUYANA TRADE NEEDS

Georgetown SUNDAY CHRONICLE in English 2 May 82 p 2

[Text] Minister of Trade and Consumer Protection Frank Hope on Friday night said that the German Democratic Republic (GDR) has been the eastern bloc country most responsive towards Guyana's trading needs.

The Minister was addressing the opening of an exhibition of pharmaceuticals from the GDR, at the Savannah Suite of the Pegasus Hotel.

He said that this country has for many years shared a friendly and cooperative relationship with the GDR. GERMED the nationally owned foreign trade company responsible for the exhibition, is well known to this country's public sector.

Cde Hope pointed out that the G.P.C. who collaborated in the exercise purchases drugs from GERMED and over the past five to seven years, imports from that organisation have been to the value of some G\$200M. He expressed the hope that this relationship would develop and expand as he felt that the G.P.C. had tremendous scope to expand in the area of drugs and medicine.

He felt certain that, with such an expansion, "we in Guyana will have the best of experiences...as we've had in the past" Cde. Hope however stressed Government's wish that the GDR ensure that drugs sold to the GPC are of the highest quality confirming to set standards and specifications. In recent times he disclosed faulty packaging of drugs from the GDR had brought the whole issue of purchasing from non-traditional sources into focus. It had also raised the question of drugs being cheaper from such a source than from the West. He thus called on the GDR authorities to "recognise the need to examine this problem as a matter of the highest priority."

Scientific Manager of Imports and Exports in the GDR, Dr Wolfgang Keller, said that the pharmaceutical industry in GDR had developed tremendously, and that research had been done in keeping with the demands of modern health requirements and standards according to the 1964 Drug Code of that country.

Dr Keller, added that only drugs registered and used in the GDR were exported. He further stated that the GDR was attempting to fulfill the demand from developing countries, for cheaper drugs consistent with high quality and standards.

The expert remarked that GERMED were still "newcomers" in the drug market of this country and had encountered difficulties with the stability of some drugs because of high humidity. He however observed that they had been able to overcome this problem with the help of the GPC, adding that Guyana had the potential to develop drug manufacturing under the auspices of GPC. He announced GERMED's willingness to assist in this respect and explained that some 14 small nationally owned companies and three large ones were responsible for pharmaceutical production 50 per cent of which was exported to more than 50 countries.

CSO: 3025/303

## MINISTER DENNY MEETS WITH TRADE UNIONS, HEARS COMPLAINTS

Georgetown GUYANA CHRONICLE in English 18 May 82 pp 1, 6

[Text]

**THE Minister of Labour, Manufacturing and Industrial Development, Cde. Kenneth Denny, yesterday played host to delegations from the Guyana Trades Union Congress and the Congress of Guyana African Tribalist Organisations, which is proffering suggestions aimed at making the Trade Union Movement obsolete.**

Both organisations offered their congratulations and pledged their support before going on to matters which caused them concern.

The TUC, expressing its known disappointment at the anomalies that have arisen in the Government's latest pay increase scheme said that the awards of between seven and ten per cent and ten and twelve and a half per cent were not being administered efficiently and had given cause for much dissatisfaction.

The TUC's complaint on this score has already been recorded. The Minister acknowledged the existence of problems in this area and said that the matter would be pursued.

The TUC noted that despite the May Day declarations, summary letters of retrenchment continued to be issued workers in some agencies. They lamented the apparent inability of personnel departments in these agencies to carry

out the exercise humanely or even efficiently and again pointed to the grief this situation had bred.

The TUC top brass, led by President Samuel Walker and General Secretary Joseph Pollydore, dealt with the contribution that Cde. Denny could make through his portfolio of Manufacturing. They suggested that the Ministry issue information brochures detailing job creation possibilities in this sector and the development of labour intensive enterprises.

CGATO, which conceives of the industrial relations situation in altogether different terms, approached the minister with a proposal that would downplay the role of the TUC in a scheme that takes into account the recent retrenchment and the transitional state of our society.

Led by Jomo Nkrumah Grant, CGATO proposed the formation of a National Workers' Council. Their

argument was that a state with Guyana's political philosophy, where 75 per cent of the economy was in the hands of the people there was the need for a state-controlled and "fiercely supervised" National Workers' Council. The organisation sees a role for the TUC on the Council.

Their conceptualisation of this development sees workers paying dues and by and large enjoying the same privileges with the council as they do with the existing unions.

CGATO said that the TUC should have been in a position by now to provide some financial relief to displaced workers.

The Government officials present included Acting Chief Labour Officer, Oscar Moore and his deputy, Hendley Playter. The minister said that the role of the TUC was not to be disregarded. He said that consideration must be given to the objectives of the workers' council and that such a council must be looked at dispassionately and objectively.

CGATO said that it hoped for swift action since a national catastrophe could result from the retrenchment of large numbers of workers.

## SUGAR CORPORATION ISSUES STATEMENT, BLAMES WOES ON EEC

Georgetown GUYANA CHRONICLE in English 14 May 82 p 1

[Text] The Guyana Sugar Corporation has accused the European Economic Community of being the "main culprit" in the collapse of the world sugar price to an uneconomic level.

And one way of improving the situation, according to Guysuco, is for the CARICOM group of sugar exporting countries to be given sugar quota, a Guysuco statement said yesterday.

It is extremely unfortunate that the United States continues to impose protectionist measures in its sugar trade as a matter of policy. Such measures inhibit free trade, undermine the whole concept of the Caribbean Basin Initiative, encourage the encroachment in the sugar market of alternative sweeteners such as High Fructose Corn Syrup, increase prices to U.S. consumers, and damage most severely the interests of sugar-exporting developing countries.

The United States has imposed quotas on sugar shipments to the United States in order to further protect the U.S. domestic sugar industry. The U.S. Government says that the duty and import fee already charged on sugar imports are no longer enough to protect U.S. producers in view of the recent sharp drop in the world price of sugar.

The import quotas are to be fixed quarterly. In the case of the balance of this quarter a total of 220,000 short tons will apply for the period May 11-June 30. Each country has a percentage of the quarterly quota. Guyana's share is 1.2 per cent which represents 2,640 tons of sugar for the period May 11th to June 30th. In Guyana, the first crop is coming to an end and, after meeting our EEC commitments in full, Guyana will just have sufficient sugar to meet this quota in the U.S. sugar market.

If the emergency quota system continues after 30th June, the restricted access to the U.S. market will present a very serious problem. Calculations show that on the present basis Guyana would have a quota of only 7,200 tons for the period July/September. This is much less than we would normally expect to ship to the U.S. in this period.

One way of improving the situation is for CARICOM to be given a group sugar quota. This would enable sugar-exporting CARICOM countries to take up each

other's shortfalls, if shortfalls arise. There is an excellent precedent for such a group quota in that the U.S. sugar legislation up to the end of 1974 allowed for just such a group quota. Also while such a group quota would not detract in any way from the U.S. emergency programme it would certainly benefit the Caribbean considerably.

So far as price is concerned, any sugar shipments to the U.S. under this emergency quota system will attract a price considerably better than the current very low world price.

The sharp decline in the world sugar price, which has led to the imposition of this quota system in the U.S. is a disaster for sugar-exporting countries.

There can be no doubt that the main reason for the decline in the world price is the huge E.E.C. beet sugar surplus. This surplus has risen in the last six years from almost nothing to 6.8 million tons. It is nothing short of disgraceful that the E.E.C. has so far refused to join the International Sugar Agreement which seeks by a system of export quotas and stock holding obligations to stabilise the sugar price. Instead the E.E.C., by piling up annual surpluses of sugar, has become the main culprit in the collapse of the world sugar price to a completely uneconomic level.

CSO: 3025/304

## PROSPECTS GOOD FOR IMPROVED TRADE TIES WITH BARBADOS

Georgetown GUYANA CHRONICLE in English 8 May 82 pp 1, 3

[Text]

THE prospects are good for the sale of Guyana's lumber on the Barbadian market and a possible expansion of the current market for locally produced pharmaceuticals, according to the findings of a recent Guyana trade mission to Bridgetown.

The mission also found that the possibility exists for a joint Guyana-Barbados enterprise in the treatment of wood for sale to the East Caribbean.

The Guyana trade mission, headed by Ambassador to the Eastern Caribbean, Rudy Insanally, visited Barbados in March, in keeping with an agreement to increase bilateral trade between the two countries.

The pledge to increase trade was made by President Burnham and Barbadian Prime Minister Tom Adams during their discussions at the Guyana National Service production centre at Kimbia, earlier this year.

Prime Minister Adams was the first of two

Caribbean leaders to visit Guyana for discussions with President Burnham on a number of issues, including the staging of a CARICOM Heads of Government summit sometime this year.

And as part of its drive to promote exports to Guyana, the Barbados Government has submitted a list of exportable goods to the Guyana State Corporation (GUYSTAC) for assessment and processing.

At present the monetary value of Guyanese exports to Barbados far exceeds Barbadian exports to Guyana.

Rice, one of Guyana's major exports and foreign exchange earners, has been a traditional export to Caribbean Islands, including Barbados and Trinidad and Tobago.

However, according to reports, there is now a preference for packaged rice on the Barbadian market. Guyana currently exports the majority of its rice as bulk rice.

## CANADA ASSISTS FISHING INDUSTRY WITH \$2 MILLION CREDIT

Georgetown GUYANA CHRONICLE in English 11 May 82 p 16

[Text]

Four hundred new Johnson and Evinrude 25 horse power engines and spare parts for old 15, 25, 35, and 40 horse power Johnson and Evinrude engines have arrived as part of a Canadian \$2 million line of credit negotiated between the Government of Guyana and the Government of Canada which will provide fishing materials and equipment to fishermen. Twine and rope are expected later.

The line of credit is part of a Fisheries programme agreed to between the two parties and intended to result in an increase in the supply of fish to the domestic market by increasing the productivity and income of fishermen. Community participation is also being fostered since the Fishermen's Co-operative Societies are the vehicles being employed to get the commodities to the fishermen.

Executing and administering the project on behalf of the Government is

the Fisheries Department of the Ministry of Agriculture. The Guyana Co-operative Agricultural and Industrial Development Bank (GAIBANK) through which the loan is channelled, has employed Guyana Stores Limited as the agent to purchase the engines, spares parts, rope and twine.

The Fisheries Department and the Ministry of Co-operatives have assigned the goods to Fishermen's Co-operative Societies.

GAIBANK will continue to provide loans either to the fishermen directly or to the Co-operative Societies to purchase the goods while the Fisheries Department has established a system to measure the impact these goods will have on fish production.

Guyana Stores Limited is arranging to have two one-week courses on care and maintenance of the engines for fishermen representing all the Co-operative Societies. The courses will

be taught by an expert from Evinrude.

The reduced availability of engines, spare parts and fishing requisites have had a negative effect on fish production and all fishermen welcome this arrangement to obtain the necessary fishing tools.

The funds from repayment by fishermen in the Co-operative Societies will be put into a counterpart fund by GAIBANK to be used later on other fisheries projects, especially construction of infrastructure for Fishermen Co-operative Societies.

The engines were officially handed over yesterday at the Guyanese Trade 11 Sports Club.

In picture above Canadian High Commissioner to Guyana, Julien Payne, makes the gesture of handing over the engines to an employee, while Executive Chairman of Guyana Fisheries Limited, Robert Williams, looks on.



## FLAWS IN 'RETRENCHMENT' SYSTEM BRING CORRECTIVE STEPS

Georgetown SUNDAY CHRONICLE in English 6 May 82 pp 8-9

[Text] The Central Recruitment and manpower Agency has met Public Service Officials to decide on ways of reabsorbing some of the skilled people displaced the retrenchment exercise.

Chief Executive Officer of the CRMA Cde Malcolm Johnson says that the relocation of persons is part of an ongoing exercise, but that a fresh consciousness of the situation has arisen as flaws in the retrenchment programme became apparent.

Several scores of workers of long standing who would have acquired valuable skills which are hard to replace, and are needed in other areas have been sent home.

Efforts are now being made to place some of them. Letters of recall would be issued in some cases indicating new assignments for these persons.

So far in the CRAM's relocation drive over a thousand people have been employed. The present list indicates that over two thousand, three hundred jobs are immediately available.

As Cde Johnson explained, the response to the advertisements has been conditioned by the fact that many people do not see themselves in the roles advertised in the newspapers.

"I have been trying," he revealed, "to indicate to many of the people who come here that self-employment and work in areas where there is a demand for their labour is easier to secure, but there has been some resistance to a few of the suggestions. People just do not see themselves in certain jobs. It clashes with their concept of themselves."

Quite a few people have shown an interest in farming, he said, while others clearly need guidance in making a choice. Sometimes the jobs advertised do not match the skills and experience of the interested persons but the Agency is doing its best to take the strain out of the unemployment situation.

In meetings with the Public Service officials CRAM has been able to identify a small number of positions which could be filled immediately. The response from institutions in need of workers has been described as good.

In his May Day talk, President Burnham referred to the firing of surveyors. The CHRONICLE was able to determine that the regional system was found to be in need of surveyors to work around villages and in outlying areas and that following the intervention of Cde Burnham, surveyors have been sent into the various regions.

Over 6,000 persons have already been retrenched and the exercise has come to a halt.

Their dispersal in the society has resulted in less turbulence than some imagined and street reports suggest that many are not waiting on Government or CRMA to find them a new job but are taking their own initiatives.

Two of the retrenched persons to whom we spoke have gotten work with private firms. Three others are still out of jobs. One plans to emigrate and one other spoke with considerable bitterness of going into the hinterland to start a new life.

CSO: 3025/303

## DETAILS OF GOVERNMENT STEPS TO IMPROVE RICE INDUSTRY REPORTED

Georgetown GUYANA CHRONICLE in English 4 May 82 pp 1, 6

[Text] The Guyana State Corporation announced yesterday that the continued efforts of the Government to improve efficiency in the rice industry will be intensified by major and fundamental changes at the Guyana Rice Board.

In management terms, the management system is being reorganized, strengthened and regionally decentralised, to place on the regional managers and Regional institutions to be established, direct responsibility for the administration and management of the production centres with accountability for financial results and overall performance.

A new chairman, Cde. Oscar Clarke--a former Regional Minister and Minister for Regional development projects--has been appointed; he will not be an Executive Chairman of Guystac but will chair the proceedings of the Board of the Corporation. The General Manager will be the Chief Executive Officer accountable to the Board and ultimately to the Executive Vice President of Guystac for targeted performance mutually agreed upon with the management of the Board. Cde. Clarke has been charged with specific responsibility to work with the Regional Administrations at all levels and with farmers in particular to bring about a sustained increase in production and to oversee the devolution of some of the Board's functions to Regional entities and cooperatives.

#### Proceedings

The present membership of the Board has been revoked. Eight members, predominantly farmers, are to be appointed, but three nominees have been named immediately. These are--Cde. Oscar Clarke, Chairman; Cde. B.A. Fernandes, Deputy Chairman; and Cde. L. Dundas, General Manager. A Workers' representative will be selected after the customary procedures have been invoked.

Steps have been taken to amend the legislation creating the Board, to establish Regional boards with responsibility for the administration of the five production centres--Region 2--Essequibo Coast; Region 3--West Demerara and Essequito Islands; Region 4--East Demerara; Region 5--West Berbice; Region 6--East Berbice. To facilitate management coordination, members of the Regional boards will sit on the central board.

The span of activities of the Board has been drastically reduced with a view to tightening the management control. Henceforth, the Board will cease to deal with inputs for farmers such as fertilisers and chemicals. These will be sold by the Guyana National Trading Corporation at centres to facilitate access by farmers. The Board will also cease to import and stock spare parts for its equipment. These will be obtained from the dealers, Guyana National Trading Corporation and Guyana Stores Limited.

The credit facility now offered by the Board to farmers will be handled by the Guyana Cooperative Agricultural and Industrial Development Bank. The Board will, however, service existing loans to ensure that they are fully repaid.

Further measures to follow shortly will include the decentralisation of the local sale of rice and a review of the Board's small milling activities. This review is aimed at leasing or selling to Regional Administration and to cooperatives organised and supervised by them such small mills that could be economically operated by these agencies.

A similar exercise will be undertaken to relieve the Board of its fleet of tractors and combines. Such transfers will be finalised before the advent of the new crop.

Simultaneously, with these changes, will be an extensive review of the Guyana Rice Board entire staff structure to be undertaken by the Guyana State Corporation with a view to merging and economising. Certain premises used by the Board might be closed.

The marketing of rice on the markets which is very essential to the Board's financial performance will be reorganised to ensure as a priority, that the Carlcom market is supplied and secured and that the most lucrative extra-regional markets are developed.

Finally, the transfer to the Ministry of Agriculture of the Board's agricultural extension services and its research activities to a proposed central research entity is under active study. The Board's capital programmes are also being reviewed to ensure that objectives are achieved more expeditiously and at minimum cost.

CSO: 3025/303

## BRIEFS

PEOPLE'S MILITIA TRAINING--The Guyana People's Militia, stepping up its country-wide training programme, will pay closer attention to training on islands in Essequibo River, a senior spokesman said yesterday. The spokesman was responding to enquiries from the CHRONICLE about military training for residents at Wakenaam and Leguan. A number of islanders had made known their intention of joining the Militia and being trained, if given a chance. In the case of Leguan, rice farmers, and others who have business interests there said that they were looking forward to enlisting in the Militia. One farmer said that although he disliked the policies of this government, he would like to be trained, since he was not waiting to see what life would be like if Venezuela were to take over the Essequibo Region." The GPM spokesman said that a training exercise involving militiamen from Region Two and Three starts on Wednesday and will continue until May 26th at Camp Seweyo on the Soesdyke-Linden Highway. During this time, a G.P.M. team will visit the two islands to coordinate training programmes and to carry out surveys of possible training sites. The value of military training for the defence of Guyana is widely recognised as vital by residents of Essequibo in view of the threatened Venezuelan invasion of that county. Well-trained and equipped residents expect to play a significant role in defending this country's territorial integrity if the need arises. [Text] [Georgetown GUYANA CHRONICLE in English 12 May 82 p 4]

BENEFITS OF RIVER DREDGING--An international dredging company, Bos Kallis, of Holland, is now engaged in dredging of the Berbice River channel to facilitate the making of large shipments of bauxite from the Everton plant to overseas markets. The dredging operations is being financed by the Bauxite Industry Development Company. The dredge, Hilbre, which is deepening and clearing the river channel, from Everton to the beacon in the Atlantic Ocean, is expected to complete its dredging operations within another six weeks. A GUYMINE official explained that the exercise will benefit the bauxite industry since through the use of larger vessels the company will be able to make larger shipments and will have to charter vessels less frequently. The dredging of the river will also be a boost to the logging industry up the Berbice River and should encourage the direct exportation of lumber from New Amsterdam to overseas markets. [Text] [Georgetown GUYANA CHRONICLE in English 14 May 82 p 8]

JAMAICAN'S VISIT--Head of the Political Division of Jamaica's Ministry of Foreign Affairs Ambassador Lloyd Barnett paid a one-day visit to Guyana last Friday during which he held wideranging discussions with President Forbes Burnham. A release from the Ministry of Foreign Affairs stated that Ambassador

Barnett came as a special envoy from the Jamaican Government and was authorised to raise with President Burnham a number of matters of interest and concern to both Jamaica and Guyana. Among the issues which are understood to have been covered were the present state of Guyana/Venezuela relations, the forthcoming Caricom Heads of Government Meeting, and the impending visit to Guyana of the Rt. Hon. Hugh Shearer, Deputy Prime Minister and Minister of Foreign Affairs of Jamaica. Ambassador Barnett's visit coincided with the presentation of credentials of the new High Commissioner of Jamaica to Guyana, Mrs Ellen Bogle. He has since returned to Kingston. [Text] [Georgetown SUNDAY CHRONICLE in English 16 May 82 p 3]

CIVIL DEFENSE COMMISSION--The Office of the President yesterday announced the appointment of the Civil Defence Commission. The members are: 1. Chairman--Vice President, Party and State Matters. 2. Deputy Chairman--Minister of Health, Environment and Water Supply. 3. Commissioner of Police or his Representative. 4. Commandant of the G.P.M. or his Representative. 5. Chief Fire Officer or his Representative. 6. Cde. Reggie Butler--Executive Officer of the St. John Ambulance Brigade. 7. Cde Ivor Robinson--Secretary-General of the Guyana Red Cross Society. 8. Cde. Neil Isaacs. 9. Cde Chico Beharry. 10. Chief Hydraulics Officer. 11. Executive Officer--Cde. Leo Ramoutar. [Text] [Georgetown GUYANA CHRONICLE in English 19 May 82 p 1]

CSO: 3025/305

## FINANCE MINISTER: 'REORGANIZE FINANCES TO OVERCOME CRISIS'

San Pedro Sula LA PRENSA in Spanish 15 Apr 82 p 2

[Text] Tegucigalpa--The minister of finance and public credit, Arturo Corletto Moreira, announced last night there would be a "major reorganization of finances with the purpose of overcoming the prevailing situation, starting with the deficit of 400 million lempiras expected in the nation's general budget this year."

Corletto Moreira appeared on a nationwide radio and television network to announce a plan containing specific measures concerning revenues and expenditures.

In his introductory remarks the minister of finance pointed out that "the figures approved for the nation's budget for 1982 show a significant shortage in revenues compared to expenditures, which translates to a deficit of over 400 million lempiras, of which 200 million lack financing, constituting one of the principle concerns of his ministry.

## Specific Measures

Regarding revenues, it is planned to deal with the fiscal deficit this year with revenues produced by changes in the income tax law. In addition, increased tax collections are expected as a result of improvements being made in the tax system.

Corletto reported that some businessmen collect the sales tax and do not send it to the government coffers. In the first quarter of this year the government succeeded in lowering current costs by 19 million lempiras, which represents a reduction of 14 percent in comparison with the same period in 1981.

He admitted, in addition, that in the first quarter there was an increase in tax receipts of 120 million lempiras, compared to the same period in 1981.

The government proposed a modest employment within the amounts agreed upon in the country's monetary program, which will liberate resources for the Central Bank so that it can meet private sector demand for credit for production purposes, thus helping coordinate fiscal policy with monetary policy.

With regard to the budget, steps have been taken to consolidate the budget of the central government with that of the autonomous agencies with the object of integrating the economy of the public sector to reflect the policies embodied in the development plans and to comply with the mandates of the constitution, he pointed out.

9015

CSO: 3010/1560



## FESITRANH ASKS FOR DIRECT DIALOGUE WITH SUAZO

San Pedro Sula LA PRENSA in Spanish 19 Apr 82 p 2

[Article by Angel Maria Velasquez]

[Text] The Federation of National Workers Unions of Honduras (FESITRANH) yesterday closed its 29th Extraordinary National Assembly, by demanding that the government agree to the proposals presented by the Confederation of Honduran Workers (CTH) to hold a direct dialogue between the workers and the President, Dr Roberto Suazo Cordova, with the object of dealing with the problems facing the country in such important areas as health, food, housing, unemployment, tax increases, labor reforms, etc., etc.

The document was read to the assembly even though it is supposed it was already known to the delegates. It reminds the government, in regard to public health, that the Honduran people are practically defenseless against all kinds of endemic and epidemic disasters because no serious program has been implemented in this area.

FESITRANH pointed to the need for hospitals and other medical facilities. It also mentioned the importance of the professional and personal qualifications of doctors and nurses. It said that medical and surgical supplies are in short supply in national, regional, and departmental hospitals.

Food, a difficult problem to analyze, according to a memorandum under consideration by FESITRANH, is one of the most urgent areas demanding attention. Honduras is a nation of undernourished people because of its underdeveloped condition, and without doubt the economic crisis will ultimately have a negative effect on the mass of workers and peasants. Therefore, the government must strengthen the programs of BANASUPRO [National Basic Product Supplies] and the Honduran Farm Marketing Institute (IHMA), which have not yielded sufficient results to date.

The administration must initiate housing programs for the poor, the document concludes. The great majority of existing programs constitute one of the worst frauds committed against the people because the prices they quote have to be multiplied 5 or 6 times to arrive at the real cost to the supposed beneficiary. The new tax rates also constitute a special concern of the document prepared and presented by FESITRANH, which is demanding that the 5 percent tax on home sales be abolished because "the poor have suffered most from it."

FESITRANH also asked the Ministry of Labor and Social Security to name a commission composed of the most highly qualified specialists in labor law in this country to study reforms in the labor code. This would be followed by the preparation of labor legislation by a tripartite group made up of private enterprise, labor, and government.

The 29th Extraordinary National Assembly of FESITRANH also gave its strong support to the program for international peace initiated by the present government, saying that only in a climate of tranquility and harmony could a peaceful transformation of the nation be achieved through the efforts of all segments of our society.

Regarding unemployment, the federation feels that this has been one of the greatest social problems facing the country, but that recently it has become excessive, first by closings and shutdowns in industry and now by massive dismissals in the government, which, in a show of political cannibalism, has demonstrated a lack of concern for large segments of the population. FESITRANH agrees with the dismissal of opportunists in the government, but this situation should not be used to harm efficient employees whose only crime is to belong to another political party."

The final resolution of the assembly was to vote to consider the attitude of a tobacco company in Danli "whose chief of personnel maltreated a worker and later called in the FUSEP [Public Security Forces] soldiers to put down the workers, a situation which forced union members to go out on an indefinite strike."

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## ARMED FORCES CHIEF'S SPEECH AT PROMOTION CEREMONY

San Pedro Sula LA PRENSA in Spanish 21 Apr 82 p 5

[Text] Tegucigalpa, D.C.--Speech given by the chief of the armed forces, Col Gustavo Alvarez Martinez, on the occasion of his promotion to Brig General of Infantry.

If victory is the legitimate reward for effort, a promotion is the final consecration of merit, won by discipline, self-sacrifice, and perseverance in the highest scale of human values and in the laudatory deference with which society distinguishes those who stand out in the performance of tasks appropriate to human life.

I say this as with personal emotion and no less justifiable pride I accept the honor conferred on me by the sovereign National Congress of Honduras at the solicitation of his excellency, president and commander in chief, Roberto Suazo Cordova, who has granted me this promotion to the rank of brigadier general of the Honduran Army. It is an honor which really enhances my career as a professional soldier and fulfills to a great degree my human aspirations as a citizen. All of this is shared joyously today by the members of my dear family, by my comrades in arms and in ideals, and by all those who, in the most generous expression of esteem, have made possible this memorable event, which will always honor my life and lend prestige in the highest degree to my service records.

Thus, understood in this light and in its deepest meaning, I offer this merit promotion to the glorious armed forces of my nation as an expression of undying loyalty to this most worthy institution of men in uniform, where I have passed the best years of my life and in which the unassailable bastion of my military character has been forged, nourished by adherence to strict standards of discipline and guided by the soldier's sense of honor--thus moderating my natural tendency for the harsh clamor of military life and for the noble exercise of the career of arms.

We live in difficult times, beset by forces of evil and threatened by dangers whose existence are not ignored by the armed forces. Nevertheless, we also know that the true strength of Honduran democracy lies in its profound adherence to the principles of freedom, conscious of the fact that what makes peoples great are permanent dedication to their work and selfless devotion to the struggle for national progress, because in reality our people struggle to create, not to destroy, in an attitude of public trust and tranquility, which is guaranteed without reserve by the vigilance of the Honduran Armed Forces.

Therefore, in this solemn moment in which, along with the office of brigadier general I receive a greater responsibility involving the destiny of the nation, I proclaim with unwavering forthrightness that the armed forces will always be the cradle of national heroes and never the tomb of the Honduran people's liberties. In this conviction, I wish to remind the commanders, officers, cadets, noncommissioned officers, soldiers, and auxiliary personnel that the unity of our military institution and the loyalty of the commands are the unmovable pillars on which the very life of the armed forces depends.

In expressing the concepts of rank and discipline I have felt these words reverberating in the depths of my soul as a call to duty to all and as a voice that invites us to keep ourselves solidly united, because authority is better affirmed in understanding men than in the enforcement of standards or in the rigor of laws.

I wish also to thank his excellency the president and the honorable deputies of Honduran Congress for this gesture towards me in honoring me with the high rank that I bear today, which I promise to dignify zealously, as a valuable and sacred sign of trust in my patriotism, in my sense of responsibility, and in my duty as a soldier and a Honduran.

In addition, in my name and in the name of the armed forces, I reiterate our loyalty to the institutions of the constituted government; our obedience to the elected authorities of the nation, chosen by the sovereign will of the people, will always be a service rendered to the nation for the dignity and grandeur of its glorious future.

In addition, conscious of our historic responsibility and in conformance with the aspirations of the people and the postulates that inspire the government concerning harmonious coexistence, both internally and in the international arena, I firmly assert that the military institution fully supports the peace proposal formulated by the Government of Honduras, with the objective of preventing the Central American region from becoming the battleground where the blood of brothers runs red in the furrows and blackens spirits in the tragic sowing of death, but that, on the contrary, it may be a fertile field of life, where the fraternal embrace of peoples may flourish ennobled by work, uplifted by peace, and dignified by democracy.

Finally, I reaffirm our unshakeable faith in God, infallible ruler of men and peoples, whose superior designs trace the course of our lives and point the direction for our steps, like generous sources of ideals of achievement and the creative energies with which to attain them. Thus the insignias of faith and the badges of the armed forces are linked together under the sacred folds of our flag as if to witness to the fact that all of us Hondurans must devote our zeal cultivating the progress of the nation and strengthening our faith in the future of Honduras, proclaiming her greatness with eloquent voices of peace, justice, and liberty.

Thank you very much

Tegucigalpa, 20 April 1982

9015

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## BRIEFS

GOVERNMENT SUPPORT FOR STAPLES--Tegucigalpa--The government announced yesterday through appropriate agencies that it would provide strong support to growers of staple foods, in response to pressure from farmers' groups in this country. Actions will be coordinated by the National Agrarian Institute, which will be supported by the Ministry of Natural Resources and the Development Bank (BANADESA). To insure the success of this ambitious plan to plant staple crops, INA will take responsibility for legalizing land claims, the various departments of the Ministry of Natural Resources will furnish technical advisors, and BANADESA will provide financial support. Specifically, it was learned yesterday that the latter has 29 million lempiras available for farm groups that are getting ready to prepare the land for the above-mentioned program. With this in mind, the principal farmers' associations are holding a series of meetings with government representatives to ensure the success of future harvests. This decision has been described as one of the most important ones announced by the Liberal administration in relation to the promotion of agrarian reform on a national scale. [Text] [San Pedro Sula LA PRENSA in Spanish 17 Apr 82 p 3] 9015

CSO: 3010/1560

## HIGH CHURCHMEN PUBLISH VIEWS ON POLITICAL ISSUES

## Anti-PSUM Publication

Mexico City PROCESO in Spanish 10 May 82 pp 6-11

[Article by Carlos Fazio]

[Text] Less than 2 months before the presidential elections, the Mexican Catholic bishops are in the midst of partisan campaigning:

1. Cardinal Ernesto Corripio Ahumada and his eight auxiliary bishops, using a widely distributed pamphlet entitled "Christians for a Marxist Party?", advise Catholics to refrain from voting for the PSUM [Unified Socialist Party of Mexico]. For this purpose they use a pre-[Vatican] Council argument holding that "the Church tells us that Marxism is intrinsically evil."
2. The general secretary of the Mexican Episcopal Conference Genaro Alamilla Arteaga (auxiliary of Corripio), in a newspaper article, calls on the faithful "to close ranks behind the executive" in the present "period of emergency" despite the fact that this executive is "responsible" for the crisis. Additionally, through a veiled warning that they may be committing a sin, he warns that Catholics should not vote for the PSUM because that party, like all those which have Marxism-Leninism as their common origin, "is called to fight against God and against all religions."
3. Monsignor Luis Munive Escobar, bishop of Tlaxcala, in an open letter to the people of Mexico entitled "Communism," tells of the alleged "horrors" of that system. "By their fruits shalt thou know them Poland, Hungary, Czechoslovakia, Germany, Cuba"--and he reminds the Catholic faithful of the "extremely severe sanctions of the Holy See against the one who professes, defends, or propagates the communist doctrine and of how heavy a burden is on the conscience of those who read propaganda or favor these doctrines in some way."
4. Monsignor Manuel Talamas Camandari, bishop of Ciudad Juarez, in an article entitled "Mexican-Style Democracy?", reproduced in the official organ of the National Action Party [PAN], LA NACION, wonders, "Does our Constitution make this political reality so distinct, and which we still insist on calling

democracy, legal?", and attacks the PRI [Institutional Revolutionary Party], "a party which has become a government and a government which has become a party...which has been a fact of life for the past 53 years in our country."

5. The bishops of the Pacifico Sur region, in their pamphlet "To Live the Political Commitment in a Christian Way," assert that the "scandalous" situation witnessed by Mexico is the result of an option chosen "in favor of a specific social development model which does not guarantee justice or the participation of everyone in resources, decisionmaking, or culture," and note that "power is practically in the hands of a single party," a fact which inevitably prompts that party to slide into "inflexibility, arbitrariness, corruption, and violence." They conclude that to join a given party, the Christian individual "takes heavily into account whether that party respects and defends human rights; he notes whether it promotes and guarantees participation and decisionmaking by the oppressed, principally the Indians and peasant; what opinion it has about traditions, culture, and the religion of the people; and considers to what point the party strives to change society."

Alamilla Arteaga, With the Executive and Against the PSUM

On 27 July 1981, the general secretary of the Mexican Episcopal Genara Alamilla Arteaga, signed a communique jointly with the apostolic delegate, Jeronimo Prigione, in which they literally stated:

"Priests should not express an opinion on electoral politics, a field which is reserved exclusively to the government and the national political parties and political associations.... Declarations of priests that run contrary to these broad outlines do not represent the viewpoint of the Mexican Episcopate, which acts with complete respect for the country's legal framework and the national institutions which the people have set up to govern themselves."

Now, less than 2 months before the elections, Alamilla himself departs from the legal framework and the "broad outlines" when, in a lengthy article entitled "Christians Vote for the PSUM?" he strives to refute, point by point, 18 points of the Unified Socialist Party of Mexico contained in a document with the exact same title but without a question mark at the end.

The declaration of Alamilla, made public on 1 April 1982 in LA PRENSA, reveals the concept of a pre-Council, authoritarian, absolutist, eminently hierarchical Church given to immobilism. But his statement is in open contradiction with what the Catholic Church has considered the supreme example of its teaching: Councils, synods, the Supreme Pontiff, and at the national level, with some of his brothers in the faith, members of the Mexican Episcopate like himself.

Alamilla notes: "The PSUM, like all the political parties which trace their origins to a common source, Marxism-Leninism, must fight against God and all religions. If it does not do so it betrays its ideology. If it does so it deceives its followers and its propaganda is untruthful since it alleges 'that it does not fight against God or against religion nor does it propagandize on behalf of atheism.'"

On this point Alamilla parallels the concept in Cardinal Corripio's pamphlet, "Christians for a Marxist Party?", which he endorses together with other auxiliary bishops of the metropolitan archdiocese and which states: "Falsehood, which contradicts the teaching of the faith with respect to God and man, undermines and even kills faith. It is a sin to accept a falsehood. For that reason the Church tells us that Marxism is 'intrinsically evil' because it teaches falsehoods respecting God and the individual."

Corripio and his eight auxiliary bishops--including Alamilla--draw their inspiration from Pope Pius XI who, in his encyclical "Divini Redemptoris" [Divine Redeemer] (1937) asserted: "Since communism is intrinsically evil, one cannot cooperate with it in any field." Corripio and his bishops follow the trend which in this text identifies communism with communists and which interprets Pius XI's doctrine as an absolute condemnation of all possibility of cooperation between Catholics and communists. This interpretation is unsustainable since Pope John XXIII, in his encyclical "Pacem in Terris" [Peace on Earth], stressed that neither individuals nor communist movements can be considered intrinsically evil. The bishops commit a theological error when they view the assertion of "Divini Redemptoris" as an absolute without perceiving that it is conditioned historically. The bishops also place themselves above Pius XII who, in front of the Union of Catholic Jurists of Italy in 1953, spoke of toleration between Christians and communists.

But fundamentally, the bishops contradict the encyclical "Pacem in Terris" of Pope John XXIII who established the need to always distinguish between an error and the one committing it, whom one must treat as a person without considering him beyond redemption nor shutting oneself off right from the start from all possibility of contact and agreement with him. John XXIII also asserted the necessity to distinguish "false philosophical doctrines" about nature, the origin and the purpose of man, from "historical movements" of economic, cultural, and political purpose, even though they be movements originating and even inspired by those doctrines. The "movements" are necessarily subject to evolution, even profound evolution, in contrast to the doctrines which, "once they are elaborated and defined, always continue to be the same." Furthermore, John XXIII added that in movements there are unequal positive and acceptable elements because they are in keeping with straight logic and the just aspirations of the human being.

The mythical and Manichean concept of a wholesale "diabolical" communism (intrinsically evil, without distinction as to individuals, doctrines, movements, or between negative and positive elements)--such as that of Cardinal Corripio and his eight auxiliary bishops--is a major obstacle in the path necessary to establish the "peace on earth" that Pope John XXIII dreamed of.

It is necessary to mention that there were "Christians" who condemned John XXIII, on the basis of texts by Pius XI, for praising socialization and accepting [central] planning. And yet, speaking of Mexico, it is the same Mexican bishops who in their collective pastoral letter, "Regarding the Development and Integration of the Country," warned against this lack of historic vision and which some have now evidenced. They say: "The position of some Christians who, even though basing themselves on ecclesiastical



documents of the past responding to the demands of their time, seek to maintain a Christian view of the world and of its problems which no longer corresponds to the present level of historic evolution is unsustainable. By not interpreting the social doctrine of the Church in its historic context, such attitudes and policies which hinder genuine progress are adopted."

The anti-PSUM proclamation of Monsignor Alamilla broaches the topic of the exploitation of man by man but refers to "Poland, 'paradise of the workers' against workers," to "Hungary, Czechoslovakia, and even Russia." Alamilla speaks of the "deceitful propaganda of the PSUM," a party whose guide is the theory of scientific socialism "but which does not perceive it either as a handbook or a dogma." This prompts Alamilla to note: "How absurd, what contradiction." He "roundly" rejects the notion that religion--specifically the Catholic faith--should be "an instrument for defending any system of exploitation. The Catholic Church, through what we know of its doctrine and its practice," Alamilla goes on, "is not an instrument for defending an extreme form of capitalism or Marxism-Leninism or any other system."

In nuance, Alamilla betrays himself regarding the last point. He seems to accept the fact that the Church is an instrument for the defense of a capitalism that should not be of an "extreme" type. And on that score he clashes with the social doctrine of the Church which has indeed squarely condemned the "tyranny" of capital. Pope Paul VI, in front of the Christian businessmen of the UCID [Italian Union of Christian Business Executives], said of the capitalist system: "There must be something grievously erroneous, a radical insufficiency in this system, when it generates such social reactions" (L'OSSERVATORE ROMANO, 8-9 June 1964). Four years later, 15 bishops of the Third World were more explicit on the subject: "From the point at which a system stops guaranteeing the common good for the benefit of a considerable number, it (the Church) must not only denounce injustice but renounce the iniquitous system and be ready to cooperate with another system better adapted to the needs of the time and more equitable." Further on they added: "The Church has for a century now tolerated capitalism with its loans as legal interest rates and other applications that are hardly in keeping with morality of the Gospel's prophets. But they cannot do less than rejoice at seeing appear among humanity another social system less remote from this ethic" (TEMOIGNAGE CHRETIEN, August 1967).

In point 11 of his rejoinder to the PSUM Alamilla notes: "There are a few isolated bishops who condemn the Marxist parties, PSUM states. This assertion is untrue. All the bishops in communion with the successors of Saint Peter, today John Paul II, condemn Marxism and the parties inspired by it. A word to the wise is enough." The statement would prompt "the wise" to suppose that those not in communion with the Pope include,--for example, Sergio Mendez Arceo, bishop of Cuernavaca; the Mexican bishops of the Pastoral Pacifico Sur region; the bishops of Nicaragua; the French episcopate. In 1972 the latter asserted: "For a long time, both in the field of Marxism and in the Catholic realm, it has been thought and asserted, unequivocally, that there is a basic incompatibility between the faith and a socialist orientation.... Today we are beginning to realize that there is no incompatibility whatever between the Gospel and an economic and political system

of the socialist type provided that the fundamental rights of the individual and the demands of a genuine collective promotion of all humanity be respected, and with the additional proviso that the supernatural purpose of man be expressed."

And the Nicaraguan bishops, in their pastoral letter of November 1979, noted: "If socialism means power exercised from the perspective of the large majorities and increasingly shared by the organized people so that progress may be made toward a genuine transfer of power to the working classes, it will once again not find in the faith anything but motivation and support.... If socialism means, as it should mean, the preeminence of the interests of the majority of Nicaraguans and a model of nationally planned economy, unified and progressively participatory, then we have no objection whatever."

Under point 17 Alamilla states: "The PSUM asserts that its ranks include Christians--Catholics--and we believe it. What is regrettable is that some of them are of good faith but deceived through ignorance and there are always naive souls. What is absolutely incredible is that the faith of the latter should have grown, as the PSUM affirms, since given that they live in the midst of comrades infected by Marxist ideology it would be almost miraculous if they were not contaminated" (Karol Wojtyla [John Paul II], the Polish pope, is an exception).

In point 18 Alamilla writes: "The PSUM asks whether it is Christian to struggle in united fashion for democracy and socialism and it naturally answers yes. To struggle in solidarity for genuine democracy could be approved, a Christian can do so. But to join those who wish to implant Marxist socialism, because of all that was said earlier, is forbidden to a Catholic." Once again, in a veiled manner, Alamilla returns to the argument of sin. On the basis of this argument, Rome Province has sinned because it has democratically elected a communist mayor; and so have the pastors of the Catholic Church themselves who were unable to block this event.

On 29 April 1982 the general secretary of the Mexican Episcopal Conference issued a new anticommunist proclamation. Under the title "Time To Tighten the Ranks," Alamilla exhorted Catholics to become aware that "we are in a time of emergency," that it is "the time of national unity," of the "reconstruction of the homeland." And he asserted: "It is time to tighten the ranks around the executive. If we knew how to criticize him, if because of our absence we left him standing alone, if we were not capable of giving the best of our very selves for the good of Mexico, we are now suffering the consequences, but responding unanimously to his program of national rehabilitation without blaming him, and even if he were guilty, today we must be mindful of the emergency."

Alamilla does not say a single word about the causes of the "national emergency" but contrariwise identifies an alleged enemy waiting in ambush. "Marxism-Leninism with all its stunts, from some of which we are suffering here, is rubbing its hands before our problems and is promoting disorder, violent protests, hasty or unjust strikes, and fueling student, worker, and teacher problems. Its commitment is the following: To establish terrorism by every means possible. And it is not that we are promoting anticommunism

out of passion...once a country is drowning in rout, disorder, anarchy,...., then there appears the ideology embodied in the Marxist or pseudo-Marxist parties or in those timidly colored pink, which are not Mexican, and those which flirt [with communism] without showing their colors a lot."

Finally, Alamilla reveals his partisan intent when he writes: "It is very important that we be alert so as not to fall into the trap. Since we are 2 months away from the elections we must analyze very carefully the parties and candidates so that we may determine for whom we should cast our vote, since our country's near future will depend on it" (to quote Alamilla's own words, "a word to the wise...").

#### Monsignor Talamas: Against PRI-Type Democracy

The bishop of Ciudad Juarez and chairman of the Episcopal Committee of Social Communication, Manuel Talamas Camandari, also joined the political fray. An article by him, which originally appeared in EL FRONTERIZO of Ciudad Juarez, was published in the official organ of the National Action Party, LA NACION.

Talamas bases himself on declarations of 4 March 1982 by the PRI candidate Miguel de la Madrid on the subject of Mexican democracy. And the monsignor wonders: "Does our Constitution make this political reality, so distinct, and which we still insist on calling democracy, legal? Does it approve the near complete identity between government and government party and vice versa?" And he asserts: "Democracy which admits a multiparty system of which one is an official party, that is, a party which has become government and a government which has become a party, is such a poor democracy and is so constricted that it explains what has been a fact of life for the past 53 years in our country--that that single party has remained in power without provision for something different in the near future." And Talamas concludes, with St Thomas Aquinas, that one must ask "whether we are not putting a square peg in a round hole, confusing one with the other. In other words, what remains of democracy in such a system to warrant its being designated as such?"

Bishop Talamas also asks: "Does our Constitution tolerate that federal, state, and municipal budgets underwrite a large part of the expenses of the presidential campaigns of the government party's candidates and that, at least recently, as if to offset this situation somewhat, a relatively insignificant amount of the federal budget is earmarked as subsidy to the opposition parties?"

#### Eight Bishops of the South: Against the System, in Favor of a Change

Eight bishops of the Pacifico Sur region--Batolome Carrasco, Jesus Alba, Samuel Ruiz, Arturo Lona, Juvenal Porcayo, Braulio Sanchez, Hermenegildo Ramirez, and Jose Castillo--released early in April their pastoral letter entitled "To Experience Political Commitment in a Christian Manner." The document refers to numerous aspects of the Mexican political reality and a few times it clashes openly with the thoughts of Cardinal Corripio, Bishop Alamilla, and the metropolitan auxiliary bishops.

Regarding sociopolitical relations the southern bishops state: "The existing system is perpetuated because the people keep being told of their right to development and participation and of their proximate enjoyment of affluence and a modern lifestyle. As in the case of many others before them, no one knows whether these words will be fulfilled or not. As protest reactions before the populist hot air of various parties, one finds voting abstentions. And even though this abstentionist attitude in deliberate and articulate cases becomes an active political stance, since it has been taken thoughtlessly in this case it merely increases the present level of irresponsibility and passivity."

In the chapter on the "Causes Which Explain the Situation," the eight prelates assert: "The situation that we are experiencing is scandalous. However, we did not get there merely through happenstance. Rather, this situation is the result of a deliberate opinion in favor of a given social development model which does not guarantee justice of the participation of everyone in resources, decisionmaking, or culture. The economy was biased in favor of the high-income classes. The gap between rich and poor became more acute. Our country's economic life has as its central reason earnings rather than the satisfaction of the majority's needs. And even though on one hand earnings were maintained and even increased, on the other hand there was slippage in the underprivileged class's purchasing power from its wages."

The bishops attack the PRI as follows: "Another reason is that power is practically concentrated in the hands of a single party. And even though it might have the best of intentions, it inevitably falls into inflexibility, arbitrariness, corruption, and violence. The structure of the noted power justifies itself to itself, taking advantage of every opportunity, achieving tactical alliances with other parties which practically reinforce the dominant party and the entire system. It directs repression against incipient discontent and demands, even when these rumblings occur entirely within a constitutional and legal framework. The corruption found at all levels and which is the historical product of the monopoly of power is a consequence and almost becomes a cause of the present social conditions. For its continuity the power structure has initiated self-criticism in the fields of corruption and inefficiency. Some corrupt officials have ended up in jail. This purge--about which we have already spoken earlier with reference to its positive aspects--can also be understood as a way of winning sympathies serving to legitimize the same power structure or as a way to advance at the appropriate speed to a better position so that the existing situation may not become untenable. If that trend of the system should continue it could result in a total lack of credibility and legitimate support. Thus, the existing system could lead to a crisis that would bring about its complete destruction."

Regarding ideology, the bishops cite Pope Paul VI who "taught that the existing ideologies do not have the rigidity that they evidenced at the beginning, when they were established. He said that their flexibility or acquiescence is due to two factors: They are either opening up to Christianity or are sliding toward technocracy. For this reason we had asserted that some ideologies which had begun by being strongly anti-Christian were no longer much so. And we know today that some ideologies which began proposing

changes that appeared Christian espouse distinctly anti-Christian positions now. In his political activity the Christian finds himself with diverse tendencies and he even sees that not all Christians belong to the same political party. It is not because of a difference in political affiliation or because they do not share one's ideology and practice that one must discredit irreligious individuals as anti-Christians or atheists. The Christian accepts political pluralism and finds that the same faith can be experienced within different ideological contexts." (On this point the contradiction between the positions of Cardinals Corripio and Alamilla and that of the bishops of the Pacifico Sur region is obvious.)

And on the subject of political parties the bishops add: "Many Christians do not accept a specific political movement when they know that it originates from an ideology contrary to the Gospel. However, they must remember that political movements and parties are different from the ideologies from which they were born."

The bishops condemn capitalism, stating: "It leads to errors regarding human activity because it views solidarity with distrust and impudently pushes the individual to increase his earnings and power (Paul VI, 'Octogesima Adveniens'). The Pope also warns us against capitalism and recommends a careful scrutiny. Such a liberal economic system leads to the idolatry of wealth, tolerates only the social engine of competence, and its supreme law is profitability. It does not place any limits or obligations on the ownership of productive resources and makes a profound distinction between [privileged and underprivileged] individuals."

And the bishops recall: "Already in 1973 the Mexican Episcopal Conference had declared that the striving for profit is at the origin of all evil in our economic reality and that as Christians we cannot serve God and money."

They also discuss Marxism, but in contrast to Cardinals Corripio and Alamilla the southern bishops provide a broader and more nuanced viewpoint. They include socialism and communism under that ideology. "Not all socialists are communists just as not all socialists are Marxists: Presently there are various Marxist currents. Some give rise to the active practice of class struggle between the exploiters and the exploited. Others fight especially to achieve political and economic power under the direction of a single party, denying the possibility of any initiatives and direction from individuals. Another current accepts only material relations as basic to society and denies everything that is spiritual and transcendental. Finally, according to still others, Marxism also appears in a more attenuated and attractive form as a scientific activity which analyzes reality to explain how society changes in history."

Together with Pope John XXIII the bishops say that it is necessary to distinguish "between false philosophical theories and the political currents which take their origin in those theories." The bishops add that the Christian is not limited merely to criticizing ideologies or rejecting them as anti-Christian. And they implicitly refute Monsignor Alamilla when they assert: "There is not always coherence between the principles and the practices of

political parties, between what they say and what they do. The fact that some parties were created from false and anti-Christian ideas does not mean that the members and programs of those parties must be correspondingly false and anti-Christian." The same Christian faith can lead to different commitments. The fact that they have different options does not mean that we must see or accentuate divisions.

"To participate in a given party the Christian," the bishops conclude, "takes heavily into account whether that party respects and defends human rights. The Christian notes whether it promotes and guarantees participation and decisionmaking by the oppressed, principally the Indians and peasants, what opinion it has about traditions, culture, and the religion of the people. The Christian considers to what point the party strives to change society. He will join that party which meets these basic requirements best of all."

And the southern bishops recommend a change, stating: "The present political commitment calls for a kind of Christianity without halos. A spirited gift of prophesy is required, which would be a denunciation of the magnitude of the suffering and seriousness of the moment. But this commitment must be met with realism: We know that we are unable to achieve an immediate change, but we are striving so that it may occur as soon as possible. If the underprivileged start to move toward change, we have the hope that the entire Church will also move."

#### Pamphlet Discussed

Mexico City PROCESO in Spanish 10 May 82 p 8

[Article by Guillermo Villasenor]

[Text] The ink on the pamphlet published by Cardinal Ernesto Corripio Ahumada and eight auxiliary bishops, with the alleged purpose of giving an answer and a specific orientation in response to a tract entitled "Christians, Vote for the PSUM," is not dry yet.

In the above-mentioned episcopal publication there is a whole discourse of a theological type relating to faith, the interpretation of the Gospel, sin, salvation or condemnation, and other topics in the perspective of the practical action of the Christian individual before Marxist parties. It is appropriate to note that, according to the commentaries of various theology students, the discourse in the pamphlet contains a considerable number of items that are very much open to discussion. Let the experts debate them.

From the political perspective it is stated in the clerics' pamphlet that it is not up to the Church to approve or disapprove political parties and that neither can Catholics be prevented from voting for a given party. But the bishops warn that to vote for a Marxist party is to vote against the Christian faith: They assert cuttingly that it is not possible to be a Christian and a Marxist simultaneously.

One need not have great intellectual capability to grasp that these declarations are in the nature of an obvious disapproval of political parties that

are guided by scientific socialism and, specifically, a discrediting of the PSUM, and that at the same time an effort is made to ideologically prompt God-fearing Catholics to action so that they will not cast their ballots for such parties. In truth, the PSUM is at the receiving end of a propaganda campaign on which it had not counted.

With these "implicit" prohibitions the group of bishops which drafted the pamphlet is placing the following parties outside of the political options of the Christian: PSUM, PRT [Workers Revolutionary Party], PSD [Social Democratic Party], PST [Workers Socialist Party], and PPS [Popular Socialist Party]. Accordingly, the faithful will be able to vote only for the PRI, the PAN, or the PDM [Mexican Democratic Party], that is, for those parties which are openly of the Right. Objectively speaking, from the political-social viewpoint, this episcopal document is protecting the interests of those groups in power which have countenanced the country's existing economic crisis and of those who have become wealthy thanks to the people's labors. In short, the pamphlet is defending the exploiters and opposing the majorities in the country.

In a parallel development, at the end of last month, the pamphlet of another group of eight bishops of the Pacifico Sur region was released. In it the bishops expressly assert that "the fact that some parties have been created from anti-Christian ideas does not mean that their present plans, programs, and activists are false or anti-Christian." Further on, referring to the causes of the existing misery and exploitation in that region of the country, the bishops mention the concentration of power in a single party as one of the causes, and also the alliances through which other parties reinforce the dominant party.

This second group of bishops, objectively, from the political-social perspective, is defending the viewpoints of those who agitate so that the majorities may no longer be subjected and so that they may find their own path of liberation. They are against exploitation and misery and thus side with the exploited. They assume this position explicitly in their capacity as bishops.

It is obvious that we face two ways, not only different but opposite, of conceiving faith, of interpreting the Gospel, of putting religiosity into practice, and of living the political and even partisan commitment of Catholics. Independently of the theological aspects of these concepts, the concrete result is that of a political position that is clearly different between these two groups of bishops within the overall structure of the Mexican episcopate.

The constantly more critical situation of the Mexican political system and the increasing acute nature of the structural problems of the country's economy, with its direct repercussions among all the sectors of the population, are provoking a reconstitution of the various social forces. The political parties and groups are, in the present electoral situation, a visible reflection of that reconstitution of forces before which it is necessary to go and adopt increasingly more clearly defined positions.

The Mexican bishops, faced with the facts, had to begin already to publicly occupy various positions in the configuration of existing forces. The same will occur with the rest of the Church. This is very positive. The Catholic masses who for the most part are exploited and the Catholic minorities who are economically well-to-do or privileged will now have a clearer frame of reference in which to assume their specific ways of perceiving religion in its relation to the political realm.

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CSO: 3010/1594



## CATHOLIC GROUP CRITICIZES PSUM ELECTION PLEA

Mexico City EL DIA in Spanish 27 Apr 82 p 8

[Article: "Anticommunists Challenge the PSUM's Attempt To Garner the Christian Vote"]

[Text] The MCC [Catholic Conscience Movement], at a press conference held yesterday, qualified as "demagogic and manipulative" the campaign by activists of the PSUM [Unified Socialist Party of Mexico] who distribute outside of churches leaflets calling on "Christians to vote for the PSUM."

The press conference featured three youths who merely introduced themselves as "anticommunist Catholics." They stressed that their position "is to defend the doctrine of the Church and we do not tilt toward any party in particular."

"We Catholics do not forget that the present PSUM has its roots in and has the same leaders as the defunct PCM [Mexican Communist Party], that it now strives to anoint itself with holy water and a Mexican coloration, none of which is enough to make us change our conviction that the PSUM is anti-Catholic and anti-Mexican."

According to the anticommunist youths the PSUM, "in a desperate effort to win votes, is striving to wipe out with one fell swoop 65 years of communist, atheistic, and anti-Christian regimes in the world and now asserts that the Catholics and the PSUM can struggle in solidarity."

The Catholic Conscience Movement displayed at the press conference a copy of the leaflet handed out to parishioners by the PSUM activists.

Its "appeal to public opinion" contained quotations from Cardinal Hugo Poletti, vicar of Pope Paul VI, who said in October 1975 that communism is today too--as it has always been and always will be--Marxist materialism."

The anticommunist Catholic youths claimed that "as Mexicans we reject the effort of the PSUM to deceive and confuse the citizenry with untruths in order to win votes.

"We assert that Christians and communists not only cannot walk hand in hand but that their positions are irreconcilable. We reiterate together with Pope Pius XI, in his encyclical 'Divini Redemptoris,' paragraph 60: "Communism is intrinsically evil and it is not permissible for those who wish to salvage Christian civilization from ruin to collaborate with it."

FOREIGN MINISTER D'ESCOTO ON LATIN AMERICAN UNITY

PA040545 Havana International Service in Spanish 2320 GMT 3 Jun 82

[Interview with Nicaraguan Foreign Minister Miguel d'Escoto by Pedro Martinez Pirez in Havana, no date given--recorded]

[Text] [Question] D'Escoto, how has the situation in the South Atlantic affected the Central American and Caribbean problems which are also being discussed by the ambassadors, officials and foreign ministers here?

[Answer] A result of the situation being faced in the South Atlantic is the resurgence of that tremendous Latin American solidarity which implies a strengthening of Latin American unity. I believe that we have not experienced this degree of unity in a long time. It was about time that we did. Undoubtedly, not only Argentina and Nicaragua but all Latin American countries gain from a greater and deeper unity.

You know very well that one of the main elements of the imperialist policy which may contribute to dominating and subjecting us more easily has been to divide us and foment dissent among our nations. Imperialism has used one or several Latin American governments as a trojan horse to do the dirty work that the imperialists often don't want to do themselves many times; therefore, they use other countries. This will become increasingly difficult for them. Aside from their ideology, the Latin American leaders will be more cautious as a result of this experience. They will assume, we hope, positions which are more Latin American.

[Question] Another important topic being discussed at the coordinating bureau meeting is the war between Iran and Iraq, two nonaligned members countries. I would like to know how you think this Havana meeting will contribute to a peaceful and honorable solution for both countries.

[Answer] This is a very painful case for all of us. It is truly deplorable that we are approaching the next summit meeting with this war between two member countries. At this time I am in no position to speak about the amount of progress made in this search for peace that could come from this ministerial meeting of the coordinating bureau. However, we hope that peace will be achieved. I believe that, to a great extent, it depends on the will that these two countries have to overcome this painful problem.

[Question] D'Escoto, the Sandinist revolution succeeded on 19 July 1979 and the sixth summit meeting held in Havana in September of that year marked Nicaragua's entry in this movement. Is Nicaragua satisfied with the support and solidarity it has received from the nonaligned movement in these past 3 years?

[Answer] Undoubtedly, yes. I believe that--and we have stated this every-time we've had the opportunity--the existence of this movement and the fact that we were able to join it immediately after the victory has constituted one of the wisest moves of our foreign policy. There is no doubt that the support and understanding that our revolution received from the movement is priceless and vital. It has greatly helped in accelerating our revolutionary process which is aimed at achieving a greater autonomy and independence and at making Nicaragua the protagonist of its own destiny.

[Question] If you could make a suggestion regarding U.S. foreign policy toward Latin America, what would it be?

[Answer] Well, I would tell it to take things more calmly and to stop trying to intimidate us in an effort to subject us. They will achieve nothing by the way they are acting. Threats and intimidation no longer produce the effects they achieved in the past. We are in a new era in Latin America so they must put their feet on the ground. They must realize that it is impossible to turn back the clock. Nicaragua already achieved its liberation and independence. It rescued its sovereignty and this act, which Nicaragua did and which was previously done by Cuba and Mexico, is the course of history not only in Latin America but throughout the world. The only intelligent way of doing things in this regard is to acknowledge the fact that history's path is irreversible. It always points toward a better and more independent situation for all the peoples.

CSO: 3010/1674

## MIGUEL D'ESCOTO ADDRESSES NONALIGNED MEETING

PA051415 Managua Domestic Service in Spanish 1200 GMT 5 Jun 82

[Text] At the opening of the night session of the nonaligned movement's coordinating bureau, Foreign Minister Miguel d'Escoto said that the meeting is taking place under very special circumstances, in which Latin America is suffering aggression by two colonialist powers, the United States and Great Britain.

The Nicaraguan foreign minister noted that the British attack on Argentina has increased the anti-imperialist sentiments in Latin America to unprecedented levels. He added that U.S. complicity in this has been considered by the majority of Latin American nations to be an attack on the entire continent.

Referring to the situation in Central America, he explained that in view of the aggressive imperialist attitude, Nicaragua has exerted tremendous efforts to maintain peace in the area. However, he added, these efforts have not yet received serious attention from the Reagan administration, which is primarily responsible for the serious situation affecting the peoples of our area.

D'Escoto voiced his opposition of Israel's warmongering and criminal policy and his solidarity with the cause of the Palestinian people, supporting the PLO as the sole legitimate representative of the Palestinian people.

Finally, the Nicaraguan foreign minister mentioned the various destabilizing actions undertaken against Nicaragua, including the sabotage of vital sectors of our economy, the destruction of bridges and the imminent large-scale attack on our country, as a result of which the revolutionary government was forced to declare the state of emergency and to mobilize the entire population in the nation's defense.

CSO: 3010/1674

## D'ESCOTO NOTES NONALIGNED ACHIEVEMENTS

PA062132 Havana International Service in Spanish 1820 GMT 6 Jun 82

[Speech delivered by Nicaraguan Foreign Minister Miguel d'Escoto at the closing ceremony of the nonaligned coordinating bureau's ministerial meeting on 6 June, in the Conventions Palace in Havana--recorded]

[Text] Mr President, foreign ministers, delegations leaders, delegates and guests:

At the conclusion of this meeting of ministers of the nonaligned movement's coordinating bureau in preparation for the seventh summit meeting, I am proud to speak on behalf of the fraternal Latin American member-countries of our movement.

There is no doubt that this has been a very important meeting, not only because of the delicate task that it had to fulfill but also because of the high degree of responsibility with which this task was faced by all of the members and because of the document that has been produced.

I know that I am expressing the sentiments of the Latin American group when I express our deep and sincere gratitude, first of all, to Commander Fidel Castro, who, as president of our movement, wisely and firmly led our efforts to defend the values and principles that are the reason for being of a movement that represents not only the goals of its member-countries but the hopes of all of the world's people for a better life. This better life must be based on respect and on the peoples' right of self-determination, free of all kinds of imperialist, colonialist, neo-colonialist, racist or Zionist threats or aggression, within the framework of a new international economic order, and equally free of the yoke of an irrational arms race that absorbs huge resources that are necessary to meet urgent needs, as demanded by respect for human dignity.

Our recognition must also go to our good friend, Foreign Minister Isidoro Malmierca, for his great efforts to insure the success of this meeting, a goal that has been fully achieved, for there can be no doubt that the final document is a significant advance in our movement's historical development. We also express our recognition of Foreign Minister Malmierca's efforts to see peace reestablished in the regrettable war between two members

of our movement, Iran and Iraq. We still hope that a just and definite solution to this war will be found and we reiterate our desire to cooperate as much as we can in securing this noble objective.

The great and warm hospitality of the sister republic of Cuba must also be noted. Without this hospitality, I daresay, we would not have been able to carry out our work so satisfactorily. We wholeheartedly appreciate that.

The other foreign ministers who will speak on behalf of their respective areas will refer to the portions of the final document that deal with their regions. On behalf of the Latin American countries, I want to say that we are very pleased with the way that the document deals with our area's basic problems. In this regard, we want to express our recognition of all of the foreign ministers and delegation heads for their positions as expressed in their speeches or in their participation in the various commissions, which permitted an adequate treatment of our region's problems.

In this regard, we must note the excellent work that our friends, Ambassador (Lusaka), president of the political commission; and Ambassador (Cesna), president of the economic commission, carried out demonstrating a great spirit of sacrifice and understanding.

Latin America is going through a very special time in its historic anti-imperialist struggle, as was noted in most of the Latin American speeches during the meeting. This qualitative step forward in the awareness of the people and governments of Latin America has been assisted, to a great extent, by the treason of those who have tried to appear as friends and defenders of our hemisphere's interests.

The U.S. complicity in Great Britain's colonialist invasion of the sister republic of Argentina represents a true revelation. The fact that yesterday the Reagan administration vetoed the proposed resolution presented at the UN General Assembly by Panama and Spain--a resolution that was essentially a call for a cease-fire--has clarified the sickening nature of U.S. foreign policy, which is imperialist, warmongering, racist and essentially anti-Latin American.

Those who consider us inferior because we are underdeveloped are gravely mistaken if they think that we have no dignity and that, with their money, blackmail or threats, they will be able to make us forget what they really are.

On the contrary. I daresay that the process of growing awareness in Latin America is leading to a future of true nonalignment and that in the next few years we will be receiving more requests for membership from Latin American countries.

For this reason, we assign great importance to the decision--adopted at this meeting--to suggest to the heads of state and government who will

participate in the next summit meeting that a special ministerial meeting of the coordinating bureau be held in Managua, Nicaragua, for discussion of Latin America.

On behalf of Nicaragua, my country, I want to express our gratitude for the solidarity that has been shown in this meeting for our revolutionary process and our heroic people, who, beyond their suffering of the consequences of the most reactionary forces' aggressiveness, recently suffered natural disasters.

You can be sure that Nicaragua will continue its struggle, as it has for the 3 years of our participation in the nonaligned movement, on behalf of the movement's principles and value.

CSO: 3010/1674

## BRIEFS

CUBANS RECONSTRUCT IZAPA BRIDGE--Leon--The Izapa bridge, damaged by the heavy rains during the past days, has been undergoing repairs by the (Antonio Mazzeo) Cuban Internationalist Brigade since 29 May. The brigade is made up of engineers, surveyors, operators and drivers. [PA042340 Managua Domestic Service in Spanish 0300 GMT 1 Jun 82 PA]

CABEI APPROVES LOAN FOR NICARAGUA--The Central American Bank of Economic Integration (CABEI) recently approved a \$4.5 million loan to Nicaragua to finance the expansion of the country's telex system. It is estimated that the telex expansion project will cost \$4,750,000. It is part of the third phase of the telecommunications network. Construction of this third phase will last approximately 17 months. This is the sixth loan that the CABEI has granted to Nicaragua to modernize and expand its telecommunications network. The loans amount to \$20.7 million. [PA042342 Managua Domestic Service in Spanish 0000 GMT 3 Jun 82 PA]

LABOR DELEGATE DENOUNCES AGGRESSION--A Nicaraguan representation at the 12th Mongolian unions meeting denounced the aggressive escapade that imperialism is conducting in Central America. (Jose Lopez Ortiz) of the Sandinist Workers Federation spoke of the importance of this meeting for the Central American region. Thirty countries were represented at this meeting. The charge clearly specified the cases of Guatemala, El Salvador and Nicaragua, and the meeting discussed the problems of the British-U.S. aggression against Argentina. [PA042342 Managua Domestic Service in Spanish 0000 GMT 3 Jun 82 PA]

CSO: 3010/1674



## DEVELOPMENT PROJECT IN MOQUEGUA DEPARTMENT ANNOUNCED

Lima EL COMERCIO in Spanish 15 May 82 p A-20

[Text] Main Goal--Completion of Ilo-La Paz International Highway

The Moquegua CORDE [Development Corporation] will commit the greater part of its resources this year to the Ilo-Moquegua-Puno-La Paz international highway, regarded as of vital importance to the macroregional integration of the south, utilization of the installed capacity of the port of Ilo, facilitating stability and reducing living costs.

This was the plan set forth by the officials of that body to the panel of EL COMERCIO journalists during the discussion of the development of an adequate highway infrastructure in Moquegua.

EL COMERCIO: What benefits will this international highway provide on the departmental and regional levels?

Moquegua CORDE: This highway will make the integration of the southern macro-region possible, including the departments of Arequipa, Moquegua, Tacna, Puno, Cuzo and Madre de Dios.

It must be remembered, for example, that Madre de Dios produces wood; Moquegua has fishing and mining potential; and Puno produces bakery items. This highway, then will facilitate marketing throughout the entire southern zone of the country, integrating it with the departments of Tacna and Arequipa, which currently have independent trade.

Later, this road will become an international route thanks to the link with La Paz, Bolivia. The plans for this have been drafted and even include an ocean-to-ocean route between the Pacific and the Atlantic, by way of the La Paz-Argentina highway.

The other possibility for linking the oceans is a route through Ilo, Moquegua, Puno, Madre de Dios and Rio Branco, Brazil.

EL COMERCIO: What industrial possibilities is it expected the use of this main highway will make possible?

Moquegua CORDE: Where local regional consolidation is concerned, we can say that development programs can be established on the industrial level to utilize the resources of the departments we have mentioned.

In addition, throughout the southern macroregion, the only area which offers possibilities for recreation and expansion is the Ilo maritime zone, and thus the highway would facilitate heavy travel to that site.

Another of the very important conditions would be the contribution to Bolivia's landlocked situation. The possibility of establishing binational industries through the Ilo free zone might be contemplated, making the development of both countries, as well as international trade, possible.

EL COMERCIO: According to the information we have, this highway has been in use for more than 20 years, and there are various sections which require improvements. What is the real situation?

Moquegua CORDE: Yes, this is in fact true. It should be noted that the road is currently in actual use.

The section between Ilo and Moquegua, 98 km long, has been completely asphalted. The section from Moquegua to the Humalso bridge, 63 km long, has been compacted.

The most critical section would be that between Humalso and Vizcachas, which has not been compacted, but which has a budget of 340 million soles for improvements this year.

Where the section to the Puno departmental boundary is concerned, also in rather poor condition, a budget of 800 million soles has been allocated for the improvement work.

The highway between Puno and Desaguadero has been completely asphalted, while the section from Desaguadero to La Paz has been very well compacted and is in highly usable condition. Currently there is an average of 10 vehicles per day between La Paz and Ilo.

EL COMERCIO: What port facilities does Ilo offer?

Moquegua CORDE: Currently 70 percent of the capacity of the port of Ilo is idle. Thus what is needed is to give it maximal use. We think that the international highway will serve this need. We know that there is an agreement between the IDB and the Ministry of Transportation and Communications for the building of this highway.

EL COMERCIO: Does the port of Ilo have the capacity to replace the port of Matarani as the port of export to Bolivia?

Moquegua CORDE: Yes. Currently there is a Ministry of Economy, Finance and Commerce plan according to which Mollenuo will embark upon a development phase at its installation over a 2-year period during which the port of Ilo will engage in export and import tasks.

Ilo is optimally adapted for the loading and unloading of goods. Its docks can accommodate vessels of up to 20,000 tons.

Ilo has two jetties, one owned by the Peruvian ENAPU [National Ports Enterprise] and the other owned by the Southern Peru Copper Corporation, which uses it exclusively for the export of mining products. The ENAPU pier is used to export fish meal and flour, mainly.

#### Low Levels of Health and Literacy

The department of Moquegua has a low health level due to the failure to provide medical-surgical teams and specialized personnel, the officials of the Moquegua CORDE said in their talk with this newspaper's journalists.

This situation is revealed by the high mortality rate, which is about 25.99 per thousand inhabitants, and high rates of incidence and mortality mainly from such causes as infectious, contagious and parasitic diseases, because drinking water is untreated.

In the rural and poorer urban zones, the problem is much more critical, these officials said.

They also revealed that in recent years, there has been an increasing number of "chirimacha," the insect which transmits Chagas' disease, which it is urgently necessary to eliminate, they said.

According to the statistics provided, the health infrastructure is mainly concentrated in the towns of Ilo, Moquegua and Cuacone, with an average of 36.2 beds per every thousand inhabitants in the urban centers, and a lower average in the rural areas.

#### Education

The school enrollment came to a total of 33,276 last year, representing 33.5 percent of the total population of the department.

There are 244 educational establishments, concentrated in the urban areas.

Approximately 22.3 percent of the population 15 years of age or older is illiterate. It was stressed that the programs designed to eliminate illiteracy in Moquegua have not produced the desired results. However, their implementation is being systematized with a view to achieving the goals established.

#### Water Shortage Limits Agriculture

The population of about 100,000 in the department of Moquegua is concentrated, to the extent of about 76.6 percent, in the urban areas, as a result of a gradual abandonment being seen in the rural zones.

This migratory flow involves for the most part individuals in their active years seeking better job opportunities or those of an educational nature, since the zone from which they come does not offer these advantages.

This is one of the aspects of the complex of problems in Moquegua discussed by officials of the CORDE of that department in a round table talk with EL COMERCIO journalists.

EL COMERCIO: What factors favor the migration from the rural to the urban sector, and what plans does the CORDE have to deal with the problem?

Moquegua CORDE: The main problem Moquegua is the lack of water resources. The CORDE has made an effort to implement the Pasto Grande project, which would not only provide the population with a water supply but would also make it possible to improve irrigation in the Moquegua, Ilo and Torata valleys. It would also make it possible to expand agriculture.

The Pasto Grande project dates back to 1967. By ministerial resolution dated November 1981, a multisectorial commission was appointed to draft a report on the scope of this project.

EL COMERCIO: What possibilities are there for completing this irrigation project?

Moquegua CORDE: There are three alternative possibilities. We have studied that based on building a dam on the Pasto Grande basin to hold 210 cubic meters of water.

The first stage would involve an area from the dam to the Irimoco tunnel, 10.5 km long, emptying the water into the Orondoya gorge, from which it would run into the Titicuyes River and subsequently into the Torata, Trapiche and Moquegua Rivers.

According to the engineering studies, these projects will include other small tunnels, including the 7-km Jachacuesta tunnel, which would empty water into the so-called Humalso Canal.

The second stage of the project includes the diversion to the Ilo hills sector. For this diversion, the Osmore Dam, which would have a capacity of 600,000 cubic meters, would be built. Through a canal 34 km long, the water would be carried to the Quebrada Honda reservoir.

EL COMERCIO: What would the immediate benefits of the project be?

Moquegua CORDE: The project would also provide benefits to the port of Ilo, via a 14-km canal leading from the Osmore zone.

Also, the diversion of the water would make it possible to expand agriculture over an area of 5,000 hectares, in addition to regulating the irrigation of the present land suited to crop raising.

EL COMERCIO: What possibilities are there for sharing the water of the Pasto Grande basin with Tacna?

Moquegua CORDE: The Pasto Grande project was designed to resolve the problems of Moquegua first of all. But there is a Tacna project to resolve the problem of reinforcing Lake Aricota through the building of a canal. The problem encountered is that the Pasto Grande capacity and the needs of Moquegua would make it impossible to serve other areas.

On the other hand, we should note that a multisectorial commission studying this problem has reached the conclusion that once the needs of Moquegua have been met, where the use of water for human consumption, agriculture and industrialization are concerned, the surplus would be oriented toward adding to Lake Aricota.

EL COMERCIO: Would the 210-million-cubic-meter reserves of Pasto Grande suffice to meet the needs of Moquegua?

Moquegua CORDE: There are multiple needs. We have the Clemesi and Ilo pampas. It is for this reason that we have urged that our waters not be tapped. Our concern is based on the fact that the existing capacity will only allow us to see to the irrigation of 3,670 hectares, providing us with water until the year 2000. In other words, this is the indispensable minimum if we want to survive, so to speak, until that date. There is not really any surplus.

EL COMERCIO: Are there other sources which might supply Pasto Grande?

Moquegua CORDE: In fact, the government is negotiating with Japan with a view to drilling five tubular wells by means of which the basins could be supplied, bearing in mind that in the upper part of the department, ecological studies have shown that there is a phreatic mantle which could supply these areas.

EL COMERCIO: What would the cost of the project be? Is there a tentative budget?

Moquegua CORDE: In this year's budget, 218 million soles have been allocated for the final study. But this amount can be regarded as an initial contribution, because it is estimated that the cost of these studies will come to more than 600 million soles.

As to the cost of the project, it was estimated last year at about 15 billion soles.

EL COMERCIO: What other similar projects does the CORDE have under study?

Moquegua CORDE: There is another project which actually makes a contribution to the solution of the water problem. It is the Huamajalso project, but it would only serve to resolve the problem partially, because it is a water energy project and not one for supplying water for human consumption.

This project calls for an intake apparatus to divert the waters of the Carumas River. Some 0.6 cubic meters of water would be diverted over a distance of 20.8 km, via a tunnel and canal.

The former ORDETAM commissioned a 0.6-km tunnel in 1978, and the work was continued in 1979 and 1980. For this year, a 300-million-soles budget allocation was made. But it must be said that regrettably this project will not mean a full solution to the problem, because of the limited quantity of water, 600 liters per second, it would generate.

EL COMERCIO: Where the production of energy is concerned, what project is the CORDE studying?

Moquegua CORDE: The Pasto Grande project has some energy aspects, since the heights provided by natural waterfalls will be utilized for the purpose of generating electrical power.

#### Foreign Aid To Be Sought

The Moquegua CORDE, faced with the challenge posed by the multiple needs of the department if it is to achieve integral development, has been considering the contribution of foreign aid in order to be able to carry out projects of major scope which cannot be financed with the resources allocated from the national budget.

The Moquegua CORDE officials explained during the round table discussion with representatives of EL COMERCIO that what is involved is increasing the financial capacity of the CORDE. But to do this, Moquegua must be declared a priority zone for the focusing of investments and international technical cooperation.

In order to carry out this project, the CORDE has a plan for training professionals in various special skills and technologies, in which connection it is seeking the establishment of a higher study center.

The officials said at the round table that the inquiries initiated on this matter have been well received by the various financial sources. The proposal has been set forth and negotiations have even begun with some of them.

The financing sources interested in the Moquegua plans, these officials said, have asked the CORDE for general documents and specific plans.

The president of the Moquegua CORDE said that he has high hopes that the proposals, after the processing being handled through the National Planning Institute, the office of the presidency of the Council of Ministers and the Ministry of Foreign Relations, will meet with success and will bear fruit in 1983.

Thus if this international cooperation is obtained, Moquegua will have resources not only to dynamize the productive circuit, but also to expand its financial capacity, which will further be strengthened by the rural credit funds, in order to attract savings and promote development of the farm production circuit.

5157

CSO: 3010/1608

## DEVELOPMENT PROJECT IN MADRE DE DIOS DEPARTMENT ANNOUNCED

Lima EL COMERCIO in Spanish 8 May 82 p A-20

[Text] This year, the Madre de Dios Development Corporation [CORDE] has a budget of 2,645,000 soles, which has been allocated to four sectors for the implementation of plans: productive infrastructure (agriculture and fishing); economic infrastructure (energy and mines); social infrastructure (education, housing and health); and multisectorial.

According to the information provided at the round table sponsored by EL COMERCIO by the president of the CORDE in that department, Gonzalo Villavicencio, the socioeconomic and overall development of this frontier area comes within the national development process and is based on the nature and complex of problems of the region.

One of the main concerns of the CORDE is the establishment, development and improvement of the economic and social infrastructure, so as to enhance the living conditions for the citizens and to optimize the rational and integral use of national resources.

In addition, the corporation will work toward the achievement of frontier integration of a balanced nature with the neighboring countries, as a guarantee of national security and sovereignty.

On this important point, the Madre de Dios CORDE, in view of the double international frontier the department has, has embarked on the completion of the trans-Amazon highway, which, it was reported, will place Madre de Dios in a very promising situation from the geopolitical point of view, a rather special situation among all of the frontier departments.

#### Development of Neighboring Countries

In a study made by the CORDE in question, special stress was placed on the fact that the development of the neighboring countries (Bolivia and Brazil) in the highway sector provides great encouragement.

For example, the state of Acre in Brazil has been developing as a pole for farming and the timber sector, as well as settlement and urban dynamization, such that there is sufficient highway coverage structured along the Brasilia-Porto Velho-Rio Branco-Cruzeiro do Sul axis.

The Bolivian frontier area has been developing in terms of economic activities thanks to the National Chestnut Enterprise and the india rubber coating industry, thus having achieved a population of 3,800. Its road network providing frontier integration is still on the moderate level.

#### Frontier Integration

The department of Madre de Dios has a population of about 12,000 in its essentially frontier sector, thus exceeding with this figure any other sector of similar nature in the eastern part of Peru.

According to the statements made by Madre de Dios CORDE officials to EL COMERCIO, this population, which is already settled and has an adequate economic infrastructure, as well as the basic social services, will make it possible to draft a plan for balanced frontier integration.

As a first step, the CORDE will promote certain activities, mainly of a commercial nature, or providing such basic services as health, education, drinking water, etc.

Security in the frontier zone should be supplemented by specific activities in the various state sectors, such as the checking of boundary markers, reactivation of checkpoints and others, particularly in the area included between the sources of the Acre River, Yacu and Chandles.

#### Expansion of the Agricultural Frontier

The Madre de Dios CORDE, according to its officials, has set short-term goals. In this connection, its activities include an effort to develop the farm sector, which has been practically abandoned because the people prefer to engage in mining because it provides greater incentives.

"We will promote this sector and facilitate it as much as possible. Our desire," the president of this CORDE said, "is to expand the crop-raising, livestock-breeding and forestry frontier by 560,834 hectares."

This expansion will take place in the rural settlements of Tahuamanu, Shiringayoc, Palotoa and Palma Real.

Supervision of more than a million and a half hectares in the Manu National Park, regarded as the most important conservation unit in the country, comes within these goals as well.

#### Agroindustry and Livestock Breeding

Another activity will be oriented toward achieving regional processing of farm resources through the establishment of an agroindustrial sector.

In the livestock breeding sector, the Amazon Livestock Farm, which has achieved the most promising and encouraging results, is located in Madre de Dios. Currently livestock breeding is being promoted for a double purpose--milk and meat production.



Also, fish farms such as that known as La Cachuela and the fish-breeding center in Tambopata are being developed.

### Highway Links Crucial

The lack of internal and external access is one of the factors affecting the state of underdevelopment in which the department of Madre de Dios finds itself, despite the substantial natural resources it possesses.

In order to overcome this lack of access, the CORDE is undertaking a series of measures, officials of that body told a panel of our journalists.

EL COMERCIO: What highway projects is the CORDE pursuing?

CORDE: We believe that our main activity should be directed toward the execution of the departmental highway infrastructure, since internally we have few roads, and externally, we do not share in the highway network of the southeastern region which links the departments of Cuzco, Puno and Arequipa.

We think that interconnection of this sort will allow us to dynamize the trade between Madre de Dios and the rest of the republic. For this reason, we propose to complete the trans-Amazon highway between Puerto Maldonado and Inapari, which will not only link us with the rest of the country but will extend our access as far as Brazil.

This faces us with a series of measures, the main one being focused on the completion of the last 32 km of the 340-km-long route. It will be a road of the category permitting limited traffic.

The other measure involves attempting to reach the more distant settlements. To this end we plan to begin the Itahuania-Huaipetu road, which in 2 years may provide road access between the provinces in the department.

EL COMERCIO: What other major road projects is the CORDE pursuing?

CORDE: Currently we are beginning negotiations with the Puno Corporation with a view to beginning construction on the Inambari-San Gaban road, which will give us access to the high plateau and from there to Moquegua, representing an outlet to the coast.

Also we have considered the following international projects: Puerto Maldonado-Puente Inambari-San Gaban-Macusani-Juliaca-Matari; Puerto Maldonado-San Gaban-Juliaca-Puno-Puerto Ilo; and Puerto Maldonado-Cuzco-Nazca-Pisco.

EL COMERCIO: And what is the road plan for a link with Cuzco?

CORDE: In fact, we are working with the Cuzco Corporation and the transportation sector so that the Cuzco-Puno-Quince Mil-Inambari road--the only access to Madre de Dios--can be made permanently functional.

In this way our department would be able to overcome the problems of short supply at certain seasons of the year, especially for the frontier settlements.

EL COMERCIO: Air transport is very common in Madre de Dios. What is the current airport situation?

CORDE: In Madre de Dios there are several airports which have been abandoned, with the result that the commercial airlines have ceased to provide service to the interior of the department.

Currently we depend on civilian flights made by the Peruvian Air Force, which ordinarily fly to Iberia and Inapari. Weather conditions, on the other hand, also make aircraft operations difficult.

The departmental capital, Puerto Maldonado, has a rather limited infrastructure for the flow of freight and passengers, the only facility being that administered by the National Port Enterprise.

The CORDE has decided that it is necessary to improve it, since an adequate facility will be needed for future trade with Bolivia. Also, the CORDE intends to modernize several airports at Shintuya, Aposento and Pinan.

#### Gold Has Replaced Farming

Madre de Dios is one of the main gold-producing areas in the country. This is one of the most attractive activities for the people, as a result of which farming has practically been abandoned and there is, consequently, a serious imbalance in farm production.

In 1981, gold production reached 1,950 kg, with a total value of about 10 billion soles, we were informed in a discussion between CORDE official and EL COMERCIO newspapermen.

It is hoped in that department that the royalties on this metal will provide the financial resources making it possible to implement projects contributing to the collective well-being.

This activity, the CORDE officials said, is currently not bringing profits to the department but is on the contrary causing the abandonment of farming sectors.

This phenomenon can be seen in the following figures: In 1972, 55.9 percent of the population was engaged in agriculture, while this figure had dropped by 1981 to only 23.4 percent.

In 1972, 7 percent of the economically active population was engaged in mining, while by 1981, 52.5 percent of this same group was so engaged.

These figures have led the Madre de Dios CORDE to plan measures designed to return farming activity to its previous status, by providing greater incentives for the farm sector and the peasants themselves.

#### Oil

This department, according to studies made by the State Petroleum Agency, also has substantial reserves of "black gold."

The studies made between 1972 and 1975 showed that oil is to be found in the basins of the Manu and Madre de Dios Rivers.

But, the officials said, in order to carry through the exploitation of both nonrenewable resources (gold and oil), a very cautious policy must be adopted to avoid the lack of synchronization currently observed, wherein, as has been noted, gold exploitation is causing a decline in agricultural production.

#### A Sparsely Populated Area with Poor Access Routes

The problems encountered by Madre de Dios, in the view of the CORDE officials in this frontier department, include poor integration and lack of departmental and regional access, among other characteristics. This is the most sparsely populated department in the country, with very limited social services.

Where its economic potential is concerned, Madre de Dios has a frontier area--extending for 540 km along the Bolivian and Brazilian borders--of special geographic importance. In addition it has a reserve of renewable and non-renewable resources.

In this connection, the abovementioned officials, led by the president of the body, Gonzalo Villavicencio, held an interesting and constructive dialogue with the panel of EL COMERICO newspapermen.

EL COMERCIO: Madre de Dios is the least heavily populated department in the country. What is the current population density?

CORDE: In fact, our department is the most sparsely populated in the country, since it comes to 0.47 inhabitants per square kilometer, in other words, an average of 1 inhabitant for every 2 square kilometers.

Madre de Dios, with an area of 78,402 square km, is the third largest department in the country. But to date it has remained a landlocked department, without internal links, for lack of roads, and externally, excluded from the national highway network, particularly the sector in the southeastern region.

EL COMERCIO: How has the cultural penetration from the frontier countries affected Madre de Dios?

CORDE: The lack of the mass media facilities is notorious. There is only one radio broadcasting facility, which belongs to a religious group. This situation subjects Madre de Dios to cultural penetration by our neighbors in Brazil and Bolivia, along a frontier extending for 540 km.

EL COMERCIO: What is the effect of this factor on the educational level?

CORDE: The problem developed as follows. While Bolivian children are studying in facilities located on our territory, the situation with Brazil is more alarming, particularly in the settlements of Iberia and Inapari, which are Portuguese-language communities, although the students go to Peruvian schools.

There is a very important factor which should be mentioned, regarding trade, which depends on Brazil in the rainy season because of the lack of roads. For all practical purposes Iberia and Inapari depend on Brazilian food products.

It should also be stressed that in the rainy season, and because of the lack of roads, shortages develop in the frontier settlements, with the consequent speculation, as is revealed by the fact that gasoline are sold at prices of about 2,000 soles per gallon for the former and 11,000 soles per bag of the latter.

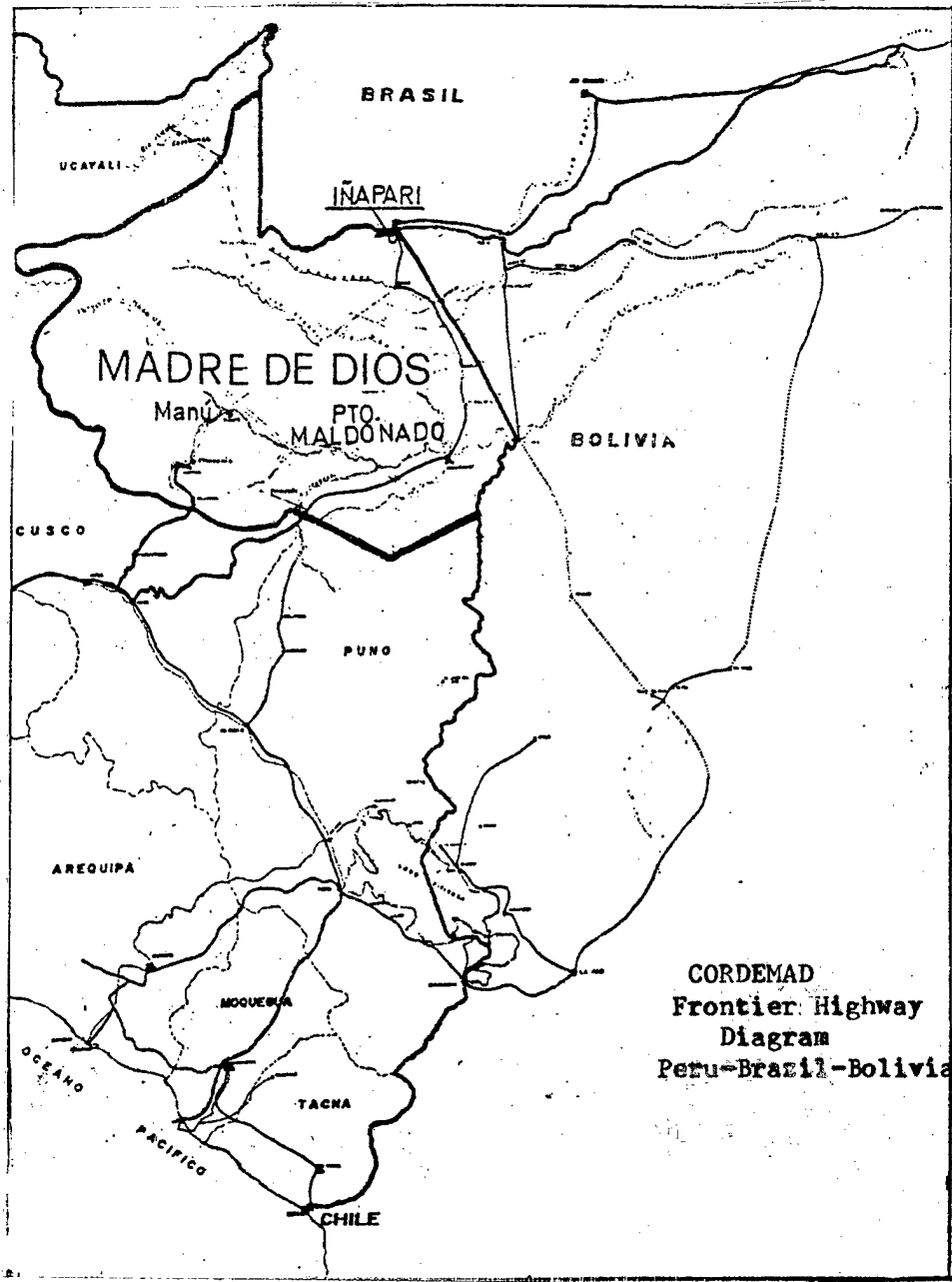
This problem is causing the population to leave the Inapari zone, leading to the danger that this important frontier region may be left vulnerable.

EL COMERCIO: How are our frontiers guarded?

CORDE: Currently our frontier posts need reequipping, because the facilities available to the personnel are somewhat deteriorated. It could be said that the Peruvian presence in the zone is lacking. It appears to be untrue that the Republican Guard posts are relatively lacking in equipment.

EL COMERCIO: What is the attitude of the CORDE toward this situation?

CORDE: The Madre de Dios CORDE is aware of this situation, for which reason we are currently directing support toward the Republican Guard, improving the infrastructure and looking into what is most needed.



Map of Madre de Dios State, third largest in the country with a 540-km common border with Brazil and Bolivia.

## EDITORIAL VIEWS U.S. BASIN PLAN AID AS MINUSCULE

Kingstown THE VINCENTIAN in English 23 Apr 82 p 4

[Editorial: "The Mountain Was in Labour...and Brought Forth a Mouse"]

[Text] After the big build up of the Caribbean Basin Initiative, with U.S. President Ronald Reagan himself taking the time to discuss its implications with Eastern Caribbean heads, invited to Barbados specially for these discussions, the news that the entire Eastern Caribbean, including Barbados, was to receive Eastern Caribbean, including Barbados, was to receive a total of \$10 million U.S. came a bit of a shock. It is hardly surprising that under the circumstances, St. Vincent and the Grenadines will receive, according to Prime Minister Milton Cato, less than \$2 million. This amount is considerably less than some of the aggregate U.S. donations made, with practically no fanfare, to St. Vincent and the Grenadines in a single year in the past.

We can only hope that the improved trading terms and the encouragement of U.S. investment--which also form part of the Caribbean Basin Initiative--will produce for our country a useful strategy for development. If investment is channeled towards the evolution and growth of natural resources. If end products can be produced from local raw materials, or we are allowed to participate as true partners in the production of manufactured goods from our raw materials. And most of all, if investment takes into account the solution of the paramount problem in our society--unemployment. The CBI will make a notable contribution to this small nation.

If however the gains to Vincentians from the much vaunted CBI stop at \$2 million, the conclusion will truly stay with us, and probably influence our future thinking on U.S. Caribbean relations--"The mountain was in labour...and brought forth a mouse!"

CSO: 3025/306

PARLIAMENTARY OPPOSITION SPOKESMAN VOICE CRITICISM

Russell Statement

Kingstown THE VINCENTIAN in English 30 Apr 82 p 5

[Statement by parliamentary opposition leader R.B. Russell]

[Text]

The recent increase of 30 percent on the minimum wage is not only totally inadequate but a breach of Workers' industrial Democracy.

Government's poor fiscal policies have resulted in economic chaos and St. Vincent, like Guyana, is on the brink of bankruptcy, with a high National debt and loans guaranteed for various Government Statutory bodies and undertakings which are losing millions. Government was forced to introduce high taxes to service these loans which have resulted in a high inflation rate at a time when there is mass unemployment which could precipitate social unrest and tear apart the very fabric of our security.

Government's restrictive policies against free

enterprise has created fear on the part of investors and this too is hurting employment. The farmers see Government competing to purchase and hold on to farm lands which should be sold to them to call their town.

The merchants see Government competing with them in the field of buying and selling and fast developing their own import and export bureau.

The workers see Government's determination to control the work force and keep them on a starvation wage completely disregarding the relative cost of living.

Workers' day is on the 1st May and I am calling on all workers to come out and demonstrate against all the ills in our Community bearing in mind that the voice of the People is the Voice of GOD.

Kingstown THE VINCENTIAN in English 30 Apr 82 p 5

[Text]

Parliamentarian Calder Williams has challenged "the Land Reform that is presently being pursued" by Government on the Richmond Vale Estate. He claims that it is discriminatory and is an audacious exercise of disrespect for workers' rights."

In a letter to Prime Minister Milton Cato Mr. Williams says:-, "I wish to respectfully draw your attention to the following:-

1. The harsh reactions to workers in the prolonged strike on the said Estate.

2. Your refusal to recognize the workers' organisation as the legitimate bargaining agent to represent workers' interest despite the endorsement of the Labour Commissioner of the authenticity of the Union's claim to command more than three quarters of the workers. This was seen in the effectiveness of the strike which brought excessive losses to Management.,

3. Your refusal to let workers have access to an adequate share of the good lands by imposing bogus, unreasonable and unacceptable condition of Lease

of which your Government is fully aware of the fact that low paid workers most of whom have worked on the Estate for more than twenty years, cannot afford.

4. Your lack of consideration towards workers' compensation, gratuity and old age pension.

The attitude of your Government in dealing with the Richmond Vale issue is interpreted as a spiteful endeavour designed to prevent Trade Union organisation which encourages further and greater exploitation of workers and to create an atmosphere of discontent, division and conflict between workers and local citizens with the hope that your Government will achieve cheap political gains.

I therefore take this opportunity to call on you as Prime Minister to ensure the setting up of a Workers' Cooperative that will benefit workers, small farmers and penniless old aged retired workers, to bring an end to the discriminatory practice and respect workers' rights."

CSO: 3025/306



## BRIEFS

COLOMBIAN AMBASSADOR--The Colombian Ambassador to St Vincent and the Grenadines, His Excellency Hernando Ricardo will arrive in the State on Tuesday on an official 2-day visit. The Ambassador will present his credentials to His Excellency the Governor General Sir Sydney Gun-Munro and pay courtesy calls on the Prime Minister Hon. R. Milton Cato and the Minister of Foreign Affairs and Tourism Hon. Hudson K. Tannis. [Text] [Kingstown THE VINCENTIAN in English 26 Mar 82 p 1]

INDIAN ENVOY--His Excellency Mr R.C. Shukla, the Republic of India's first High Commissioner to St. Vincent and the Grenadines paid his first visit to this State this week. The Indian diplomat arrived on Sunday and presented his credentials to Governor-General Sir Sydney Gun-Munro on Monday after paying a courtesy call on Minister of Foreign Affairs Hudson Tannis. Mr Shuka told Sir Sydney that India stood ready to share our experience with you through such ways and means as are considered practical by your government." Mr Shukla also called on Prime Minister Milton Cato. On Tuesday the High Commissioner paid a brief visit to the editor of THE VINCENTIAN. He was accompanied by two Indian Nationals currently residing in St. Vincent--Dr M.S. Sunderam Senior Surgeon at the Kingstown General Hospital and Mr N.L. Vaidyanathan, the Legal Draftsman. In a pleasant informal chat the editor mentioned that being a feminist the fact that India had a woman Prime Minister had increased her interest in that country. The High Commissioner said that women occupied many important offices in India and when asked if they were policy-making positions he replied in the affirmative. The editor expressed appreciation of the publications INDIA CALLING and INDIAN AND FOREIGN REVIEW. [Text] [Kingstown THE VINCENTIAN in English 23 Apr 82 p 1]

AID FROM TAIWAN--His Excellency Michael J. Tung, Ambassador of Taiwan (Republic of China) and Acting Prime Minister of St Vincent and the Grenadines Hudson Tannis on Thursday 29th April signed on accord. Taiwan has offered to provide this country with technical aid in the field of agriculture--with special reference to the development of vegetable production and a pig industry--and fisheries. According to one report, there is also a possibility that the private sector in Taiwan may be interested in investment in St. Vincent and the Grenadines. The proximity to U.S. markets presents an attraction. [Text] [Kingstown THE VINCENTIAN in English 7 May 82 p 16]

## GLOOMY PICTURE OF SUGAR INDUSTRY PAINTED BY HEAD OF CARONI

Port-of-Spain TRINIDAD GUARDIAN in English 15 May 82 p 3

[Text] Caroni Ltd, the State's sugar manufacturing company, will have to be subsidised by about \$300 million this year to keep production on line. Chairman of the Board, Mr Frank Rampersad revealed.

The huge loss is anticipated in the high cost of producing a ton of sugar locally as compared with the selling price.

Mr Rampersad, speaking at a seminar held by the Association of Professional Agrologists on Wednesday, reported that more sugar cane fields were burnt by unplanned fires in 1982 than were burnt by Caroni Ltd through the planned reaping programme, and expensive grinding machinery was destroyed by unknown persons putting large pieces of iron in them.

He took these events as an indication of the attitude of the population towards the continuation of the sugar industry in its present form.

Mr Rampersad emphasised that the local sugar industry had no place in the export market.

"The financial results of the sugar industry have been bad since 1975; in 1918 they were disastrous; in 1982 they will be horrendous," he said bluntly.

This year production costs for sugar will be over \$3,600 per ton, while the export price in the European Economic Community (EEC) is \$914 per ton and the free market price under \$500 a ton.

He predicted that Caroni Ltd. would have to be subsidised to the tune of just over \$300 million by the taxpayer.

Looking outwards, Mr Rampersad saw that the country's main export market, the EEC, with a 15 million ton production, was now the world's largest sugar producer and the second biggest exporter.

In addition, high fructose corn syrup was rapidly displacing cane sugar as a sweetener in the food industry.

The local sugar industry had to fall back on production for local use, and on finding alternative uses for sugar, said Mr Rampersad. Production of alcohol for adding to motor fuel was one choice, but it was not now competitive.

Similarly, sugar as the base for chemical feedstock, was not competitive, and the feeding of sugar cane to livestock is not yet viable under Trinidad conditions.

He observed that Caroni had been considering diversification as suggested by the Sugar Rationalisation Committee. Expansion of refined sugar capacity had been shown to be feasible and the new plant would be completed by mid-1983.

Caroni was expanding its livestock herd, and was looking at research into by-products of sugar for animal feed. More alcohol production was a possibility, perhaps in a joint venture effort with a company with access to markets for rum and neutral alcohol.

Mr Rampersad commented on several other suggestions offered for sugar and the sugar lands. A CARIRI study had shown the making of vinegar from cane juice to be uneconomic, while the small Caricom market limited the possibilities of making baker's yeast.

CSO: 3025/307

## AMBITIOUS GOVERNMENT HOUSING SCHEME REVEALED BY MINISTER

Port-of-Spain TRINIDAD GUARDIAN in English 15 May 82 p 1

[Article by Leigh Richardson]

[Text]

**SENATOR** Wendell Mottley, Minister of Housing and Resettlement, is gunning for a new target in housing: building 10,000 dwelling units a year at a cost of \$950 million each year before this decade ends; getting 2,000 apartments built by prefabrication methods and taking a leaf out of the Workers' Bank mortgages book on escalated mortgages.

All this will be in the hard-driving race against time and cost to make housing affordable for the population through Government auspices, he told the Association of Real Estate Agents of Trinidad and Tobago at a full house monthly meeting of the Association held at City Hall on Thursday night.

Senator Mottley announced that his Ministry expects to get 3,000 housing units mostly through prefab methods this year and "projects on the ground already, barring some unforeseen disaster, assure a very large increase in this number in 1983."

But "a serious deficiency" exists in the public housing programme. Senator Mottley

said: Only 150 of those units coming in 1982 are apartments which "for a variety of reasons" are essential.

To remedy the deficiency, Government, Mr. Mottley announced, "has assembled a package for construction of 2,000 apartments which will be sufficient to attract prefabrication methods and better management and so correct the present imbalance."

Housing, the Minister said, was a very, very expensive business and "citizens' expectations about the level of consumption must be kept realistic...."

Those who can afford 5,000 square foot lots, central air conditioning, and so on can satisfy themselves if they wish but "at the level of public provision," the Minister warned, "this is just not on."

He added: "In Trinidad our target rate for those construction which we hope to achieve in this decade is 10,000 units per annum. Let us assume that each unit is 950 sq. ft. and the cost of construction is \$100 per sq. ft. This translates to an annual expenditure of \$950 million.

"If we could reduce the size of the average unit by 100 sq. ft., we would free up \$100

million annually, which we could then spend on hospitals etc.

"Nothing is free and certainly not additional housing square footage...."

The Minister promised finally that in due course, with the assistance of the

Government "and through Trinidad and Tobago Mortgage Finance Company's own resources" that the TTMF will make up the shortfall between its \$137 million fund for 1982 provided by the Government, the National Insurance Board, and its own resources and the \$200 million-plus which more than 1,000 would-be mortgagors are seeking from TTMF now.

The housing crisis has forced the Government to look at various means of solution and one of these, the

Minister pointed out, is the escalated mortgage in which borrowers pay nothing towards principal for about six or seven years at the start but begin with monthly instalments lower than commercial rates and in some cases even lower than people have actually been paying for inferior accommodation.

He indirectly congratulated Worker's Bank, whose Varinstall mortgage plan is the pioneer escalated mortgage plan in this country.

## OPPOSITION PLAYS GOVERNMENT ON ISSUE OF UTILITIES

## ONR Statement

Port-of-Spain TRINIDAD GUARDIAN in English 17 May 82 p 3

[Text]

**THE Organisation for National Reconstruction** has stated that none of the public utilities — electricity, telephones and bus transport deserves rate increases.

The population is not getting its money's worth from the state corporations, the ONR stated.

In a weekend Press release signed by the party's Political leader, Mr. Karl Hudson-Phillips, the ONR stated that increased rates would be just another form of taxation.

The ONR statement came in the wake of the latest series of electrical outages plaguing the country and then went on to make passing comment on other situations and reports.

Most aggravating of the problems facing the country, the release stated, were the electricity outages and it was hardly good enough for the Prime Minister to call on the Minister of Public Utilities for a report.

**TTEC RESPONSIBLE**

"It is many years now that we have been having problems with the erratic supply of electricity. The Government should know more than anybody else what the reasons for these are," the ONR stated.

The statement went on:

"A letter from the Prime Minister to the Minister of Public Utilities — a rather odd way for a Prime Minister to communicate with one of his Ministers — will solve nothing.

"What the population wants to know is what the Government is going to do for the citizen."

Mr. Hudson Phillips a barrister at law who is a former Attorney General, questioned what was being done about spoilt foodstuff and equipment.

He said that while it was stated that TTEC was not responsible, this was not so.

"TTEC is responsible," he declared, "because the low voltage is clearly foreseeable. It has been going on for too long for TTEC to say that they do not foresee it."

The party's leader stated: "Under the Electricity Commission Act of 1961, TTEC is only not liable if the damage is due to unavoidable accident, wear and tear or overloading due to

unauthorised connection of apparatus, the reasonable requirements of the system or defects in installation not installed by the Commission.

"The Commission is always liable where the damage is as a result of negligence on the part of persons employed by the Commission. This means that the citizen can sue for damage to equipment and foodstuff caused by the reason of outages," he said.

The ONR Leader also said that it was common knowledge that "political interference has affected the management of TTEC."

The ONR release pointed out that blackouts were only part of the total scenario and charged that Government had remained silent on the recent Diego Martin floods, popular demonstrations in St. Joseph about bad conditions and the "faecal water supply."

The ONR said that there was an absence of policy and lack of leadership; some people seemed to confuse delegation of authority with the principle of decentralisation.

"There can only be delegation of authority if authority in fact exists," the release added.

## OWTU Probe of Outages

Port-of-Spain TRINIDAD GUARDIAN in English 17 May 82 p 3

[Text].

THE EXECUTIVE Committee of the Oilfields Workers Trade Union (OWTU) has summoned an emergency conference of officers and shop stewards of all units of the Trinidad and Tobago Electricity Commission (T&TEC) for tomorrow beginning at 2 p.m.

Venue for the important meeting is the union's headquarters, Paramount Building, San Fernando. The executives, in taking the decision, considered the electricity supply crisis currently affecting the country.

The union, through its acting President General, Errol Mc Leod, is very concerned about the situation and will conduct its own independent investigation of the present problems.

Mr. Mc Leod said the union was taking these steps, out of an abundance of caution, since in times like these certain sections of the society

quickly blamed the workers and the union, going as far as to allege sabotage, particularly at a time like now when negotiation for all categories of TTEC workers are in progress.

"We do not intend to be made a convenient scapegoat," Mr. Mc Leod added.

All T&TEC officers and shop stewards have been called to the meeting as the first step in the union's investigation.

### INFERIOR GAS

Meanwhile, the Commission's public relations officer, Mr. Roy Mitchell, said yesterday that the problem with the supply of gas has been remedied and everything is back to normal.

Mr. Mitchell said the Commission was in receipt of the quality of gas desirable to use at the Port-of-Spain Power

Station. He said he was in contact with officials of the National Gas Company who assured him that the "foreign elements" in the gas had been taken out.

Last Friday, the Commission blamed the latest series of outages on inferior natural gas being supplied by the National Gas Company. According to the release from TTEC the supply of natural gas contained "intolerable proportions" of mud and water.

Within the past three weeks the country has been experiencing long outages, reportedly caused by the blowout of generating units at the Point Lisas and Port-of-Spain power stations.

The situation resulted in load-shedding affecting business and operations throughout the country. Mr. Mitchell blamed the generating problems of the last two days on the inferior gas. The gas problem was not related to the earlier disturbances, he said.

The National Gas Company is the sole marketing agent for natural gas in the country, buying all the natural gas produced and selling it to the consumers mainly the industrial concerned.

CSO: 3025/307

## SOUTH AFRICAN ARMS SALE TO ARGENTINA DISCLOSED

PY060342 Paris AFP in Spanish 0103 GMT 6 Jun 82

[Text] Montevideo, 5 Jun (AFP)--It was announced here today that a cargo plane, hired by a Uruguayan company from the Luxembourg company Cargolux, has been held in Miami on the charge of transporting arms from South Africa to Argentina.

According to Basilio Munoz, manager of the Uruguayan company Aero-Uruguay, the plane had transported to Argentina 48 tons of crates labeled as tractor spare parts, and as such they were delivered in Buenos Aires. He said that the Luxembourg Government reportedly put pressure on the Cargolux company, owner of the plane, to take possession of it, in accordance with the measures against Argentina approved by the EEC. Munoz reported that the plane was held at the airport of Miami City. The Uruguayan crew will return to Uruguay shortly by a regular commercial flight.

It was pointed out here that the South African daily THE STAR reported on 7 May that the plane was transporting arms sold by that country to Argentina, a charge which was denied by the government, thus breaking a deep-rooted habit of the South African of systematically refusing to comment publicly on their arms sales deals.

CSO: 3010/1684

URUGUAYAN COMMUNISTS SUPPORT ARGENTINA

PY172106 Moscow in Spanish to Latin America 2300 GMT 15 May 82

[From the "Uruguayan Panorama" feature by Ricardo Saxlund]

[Text] The Malvinas conflict brought about by the British colonial aspirations and the U.S. military, political and economic support is still an issue of international attention, particularly in Latin America.

The escalation of the war in the South Atlantic and the enforcement of economic sanctions against Argentina have resulted in wide support for the Argentine people.

In a press conference held at the Argentine Communist Party, CPA, central committee headquarters, CPA Secretary General Athos Fava noted the solidarity of Latin American and European communist parties with the Argentine people's anticolonialist and anti-imperialist struggle. Athos Fava particularly noted the solidarity expressed by Latin American communist parties, the Uruguayan party among them.

Regarding the joint communique issued with Uruguayan communist leader Rodney Arismendi, Fava noted that this communique states that the recovery of the Malvinas archipelago by Argentina is just, it is in keeping with the aspirations of the Argentine people and the anticolonialist struggle that unites Latin American nations against imperialism and its accomplices.

The joint communique issued by the River Plate communist leaders calls on all nations to unite against the British aggression, and for Latin American nations and governments to defend Latin America from the U.S. imperialists' aggressive and interventionist policy in Central America and the South Atlantic. Both political parties advocate a peaceful solution to the conflict within the framework of the United Nations which would uphold Argentina's full sovereignty on the Malvinas.

CSO: 3010/1685

END